
A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY

**TRINITY TOWERS (2003-021)
LOCATED AT
2611 SPRINGDALE ROAD SW
ATLANTA, FULTON COUNTY, GEORGIA**

July 2003

Prepared For

**Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329-2231**

Prepared By

**Novogradac & Company, LLP
11900 Parklawn Drive, Suite 350
Rockville, MD 20852
301 / 770-6310**



**NOVOGRADAC
& COMPANY^{LLP}**

CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2003

Ms. Joy Fitzgerald
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, GA 30329

Re: Market Study for Trinity Towers (2003-021) located in Atlanta, Georgia

Dear Ms. Fitzgerald:

At your request, Novogradac & Company, LLP performed a study of the multifamily rental market in the Atlanta, Fulton County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject).

The purpose of this market study is to assess the viability of Trinity Towers, a proposed acquisition of an existing project based Section 8 property and redevelopment into a LIHTC housing development consisting of 240 units, targeting persons aged 55 years and older. The property will offer affordable rental units restricted to households earning 30 percent or less of the Area Median Gross Income (AMI). The Subject will also offer Project Based Rental Assisted (PBRA) units. It should be noted, although households that are income eligible to reside within PBRA units can earn up 80 percent or less of the Area Median Gross Income and pay 30 percent of household income towards rental rates, we have utilized a maximum allowable income for a two-person household at 50 percent AMI to estimate demand for the Subject. We believe that households with annual income up to this level are more likely to reside at the Subject. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Use by others, such as; syndicators, loan underwriters, etc., may require modification or revision. Novogradac & Company, LLP stands ready to modify this document to various standards with the permission of the client and for an additional fee.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company, LLC

H. Blair Kincer, MAI
Principal
Novogradac & Company LLP

Gil Washington
Real Estate Analyst
Novogradac & Company LLP

Table of Contents

A. EXECUTIVE SUMMARY	1
B. PROJECT DESCRIPTION	4
C. SITE EVALUATION	8
D. MARKET AREA	12
PRIMARY MARKET AREA	13
E. COMMUNITY DEMOGRAPHIC DATA	14
F. PROJECT-SPECIFIC DEMAND ANALYSIS	27
G. SUPPLY ANALYSIS	31
H. PROPERTY INTERVIEWS	55
I. CONCLUSIONS AND RECOMMENDATIONS	64
J. SIGNED STATEMENT REQUIREMENTS	67
K. ANALYST QUALIFICATIONS	69
ADDENDA	71

A. EXECUTIVE SUMMARY

PROPERTY SUMMARY OF SUBJECT**Subject Property Overview:**

The Subject property is currently an existing project based Section 8 development for persons aged 62 years and older. The sponsor for the Subject intends to renovate the Subject into a LIHTC community for households ages 55 and older. The developer has not provided any indication whether the Section 8 contract will be renewed after renovation. Therefore, our analysis is based on the assumption that the majority of these households would qualify to reside within PBRA units proposed by the sponsor upon the completion of renovations. Of the total units, 232 units will be Project Based Rental Assistance (PBRA). The remaining eight units will be affordable rental units restricted to households earning 30 percent or less of the Area Median Gross Income (AMI).

Date of Construction:

1968. Renovations are planned for 2005.

Development Location:

The Subject is located at 2611 Springdale Road SW, Atlanta, Fulton County, Georgia. The site is located along Springdale Road, North of Cleveland Avenue and to the west of Interstate 75/85.

Construction Type:

The Subject property is the proposed upgrading of 240 one-bedroom units. The improvements will be in one high rise apartment building with two elevators and stairways. The building has a flat roof with tar and gravel covering, gutters and downspouts, open at all sides. The building has a covered central atrium accessed through open breezeways. The exterior of the building is concrete and brick veneer.

Occupancy Type:

Older persons aged 55 years and older.

Target Income Group:

Of the total units, 97 percent (232 units) will be Project Based Rental Assistance (PBRA) units. The remaining three percent (seven units) will be rent-restricted, Low Income Housing Tax Credit (LIHTC) units governed by Section 42 of the Internal Revenue Code and set-aside for tenants earning not more than 30 percent of area median income adjusted for family size. Household sizes will range from one to two persons. Minimum household income level is \$12,000. Maximum household income level is \$17,100 in 2003 dollars. The remaining one unit is going to be used as employee unit.

It should be noted, although households that are income eligible to reside within PBRA units can earn up to 80 percent or less of the Area Median Gross Income and pay 30 percent of household income towards rental rates, we have utilized a maximum allowable income for a two person household at 50 percent AMI to estimate demand for the Subject. We believe that households with annual income at this level are more likely to reside at the Subject.

Land Area: 3.316 Acres.

Unit Mix:

PBRA UNITS					
Unit Type	# of Units	Net Rents*	Estimated Utility Cost	Gross Rent	Fair Market Rents
1BR/1BA	18	BOI	\$0	\$400	\$795
1BR/1BA	214	BOI	\$0	\$500	\$795
Total	232				

LIHTC UNITS AT 30 PERCENT OF AMI					
Unit Type	# of Units	Net Rents	Estimated Utility Cost	Gross Rent	Maximum Allowable Rent Per DCA
1BR/1BA	8	\$400	\$0	\$400	\$400
Total/Average	8				

Location and Surrounding Land Uses:

The Subject is located along Springdale Road in the city of Atlanta. The immediate neighborhood is primarily a residential community with retail and commercial developments located along the main arteries. Surrounding land uses include:

NORTH- Moderate income single-family homes in average condition.

SOUTH- South of the Subject near the intersection of Springdale Road and Cleveland Road is the Summit South Office Building. Tenants of this office building include several medical practices including cancer treatment, dermatologist and family practice.

EAST- Vacant land. Further east are moderate income single-family homes in average condition.

WEST- Iglesia De Santa Maria Church bounds the Subject to the west. Further west are moderate income single-family homes in average condition.

**Ownership and History
of the Subject:**

The developer has applied for a reservation of Low-Income Housing Tax Credits in order to complete an acquisition and redevelopment of an existing elderly community.

Market Conclusions:

The overall Atlanta economy is moderately strong, benefiting from population, business and employment growth that has occurred in the area over the past ten years. As a result, the residential housing inventory has increased to support the economic escalations experienced within the market. However, given the elevated number of recent multifamily additions to supply, the Atlanta MSA is experiencing higher than normal vacancy levels. According to the REIS “Metro Trend Report” for the first quarter of 2003, overall vacancy for the Atlanta MSA is 11.3 percent. Established older vintage properties have reported the reliance of concessions to remain competitive to newer affordable housing and market rate product. In some cases, the presence of these concessions will remain in place throughout the foreseeable future.

The Subject is located in an area that is in the process of transition. Several properties located near the Subject are in the process of interior and exterior renovations similar to those proposed by the Subject. As a result, these properties reported higher than typical vacancies. The Subject is an existing Section 8 property for elderly households aged 62 years and older. The Subject appears unaffected by recently increasing vacancies given its current occupancy rate of 100 percent and a two month waiting list. The project-based subsidy is the primary contributing factor to this. This suggests that the Subject is located within area within Atlanta MSA with limited housing options for senior very-low income households.

Inspection Date:

The property was inspected on June 17, 2003.

Conclusion:

The Subject is located in an area that appears to be in the redevelopment stage of the neighborhood life cycle. Evidence of this is provided by several properties located near the Subject that are currently in the process of renovations. The community presents an above average location for a multifamily development within close proximity to local services and major arteries.

B. PROJECT DESCRIPTION

Our description of the improvements is based on a site inspection as well as information provided by the developers. We assume that this information is accurate.

Date of Construction:	1968. Renovation scheduled for 2005.
Development Location:	The Subject is located at 2611 Springdale Road SW, Atlanta, Fulton County, Georgia. The site will be along Springdale Road, North of Cleveland Avenue and to the west of Interstate 85.
Construction Type:	The Subject property is the proposed upgrading of 240 one-bedroom units. The improvements will be in one high rise apartment building with two elevators and stairways. The building has a flat roof with tar and gravel covering, gutters and downspouts, open at all sides. The building has a covered central atrium accessed through open breezeways. The exterior of the building is concrete and brick veneer.
Occupancy Type:	Older persons aged 55 years and older.
Target Income Group:	<p>Of the total units, 96.7 percent (232 units) will be Project Based Rental Assistance (PBRA) units. The remaining 3.3 percent (seven units) will be rent-restricted, Low Income Housing Tax Credit (LIHTC) units governed by Section 42 of the Internal Revenue Code and set-aside for tenants earning not more than 30 percent of area median income adjusted for family size. Household sizes will range from one to two persons. Minimum household income level is \$12,000. Maximum household income level is \$17,100 in 2003 dollars. The remaining unit is going to be used as an employee unit.</p> <p>It should be noted, although households that are income eligible to reside within PBRA units can earn up 80 percent or less of the Area Median Gross Income and pay 30 percent of household income towards rental rates, we have utilized a maximum allowable income for a two person household at 50 percent AMI to estimate demand for the Subject. We believe that households with annual income at this level are more likely to reside at the Subject.</p>
Special Population Target:	Older persons aged 55 years and older.

Unit Mix and Rents:

PBRA UNITS					
Unit Type	# of Units	Net Rents*	Estimated Utility Cost	Gross Rent	Fair Market Rents
1BR/1BA	18	BOI	\$0	\$400	\$795
1BR/1BA	214	BOI	\$0	\$500	\$795
Total	232				

LIHTC UNITS AT 30 PERCENT OF AMI					
Unit Type	# of Units	Net Rents	Estimated Utility Cost	Gross Rent	Maximum Allowable Rent Per DCA
1BR/1BA	8	\$400	\$0	\$400	\$400
Total/Average	8				

Structure Type:

The Subject property is an existing high-rise, containing 240 one-bedroom units, with two elevators and stairways. The building has a flat roof with tar and gravel covering, gutters and downspouts, open at all sides. The building has a covered central atrium accessed through open breezeways. The exterior of the building is concrete and brick veneer.

Existing or Proposed Project Based Rental Assistance:

The Subject will offer 232 Project Based Rental Assisted (PBRA) units. Although households that are income eligible to reside within PBRA units can earn up 80 percent or less of the Area Median Gross Income and pay 30 percent of household income towards rental rates, we have utilized a maximum allowable income for a two person household at 50 percent AMI to determine demand for the Subject. We believe that households with annual income at this level are more likely to reside at the Subject.

Unit Amenities:

All units will include mini-blinds, carpeting, garbage disposal, refrigerator, stove, dishwasher, central air conditioning and visual and audio alarm system. Additionally, they will feature patios or balconies.

Community Amenities:

The Subject includes leasing and management areas, community room/building, a gathering area located on each floor, equipped recreation area, equipped play-court, central laundry facility, barbecue/picnic area, covered gazebo with seating, fenced garden areas with walking trails. Additionally, the Subject will offer elevators which typically appeal to senior residents, a call system including a buzzer and security light to the exterior as well as perimeter fencing.

Current Tenancy:

Older Person, aged 55 years and older.

Renovation Plan:

Renovation plans indicate that approximately \$4,700,000 (\$19,600 per unit) will be utilized for the acquisition and rehabilitation of the Subject which will consist of interior, exterior and in-unit upgrades. The Subject is currently an existing project based Section 8 property for elderly household ages 55 and older. We have not been provided with a relocation plan for the existing tenancy. Therefore, we recommend that the developers provide sufficient plan for temporary displacement of current residents given that affordable housing options are limited particularly in the senior market segment within the neighborhood.

Conclusion:

The Subject property is an existing high-rise, containing 240 one-bedroom units, with two elevators and stairways. The sponsors of the Subject are proposing the acquisition and rehabilitation that will consist of interior and exterior upgrades. Renovation plans indicate that approximately \$4,700,000 (\$19,600 per unit) will be utilized for the acquisition and rehabilitation of the Subject which will consist of interior, exterior and in-unit upgrades. Upon renovation, the Subject is expected to be at the top end of the range compared to the multifamily inventory within the area.

C. SITE EVALUATION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

Date of Site Visit:	June 17, 2003.
Frontage:	The Subject has frontage on Springdale Road SW.
Topography:	Generally level.
Visibility/Views:	The Subject has good visibility from Springdale Drive. However, the Subject has limited visibility from Cleveland Avenue, a major artery from the neighborhood. Views from the Subject are primarily residential areas surrounding the property. In general, views are considered to be above average particularly for the units located on the top floors.
Access and Traffic Flow:	The Subject site is located along Springdale Road SW. There is a circular traffic flow through the site. Access and traffic flow are considered adequate for the Subject.
Layout and Curb Appeal:	The Subject has an open layout and an above-average curb appeal.
Zoning of Surrounding Area:	Reported as R4 by the Fulton County Zoning and Codes office. This zoning designation allows for the development of multifamily units. Surrounding zoning along Springdale Road is residential. The zoning of the Subject and the surrounding land uses are not likely to change in the foreseeable future.
Road/Infrastructure Proposed Improvements:	There exists no evidence of future roadwork or improvements within the immediate Subject neighborhood.
Proximity to Local Services:	The Subject is located in reasonable proximity to local services including transportation, churches and retail.

A *Locational Amenities Map*, corresponding to the following table is provided in the addenda to this report.

LOCATIONAL AMENITIES			
Map Number	Service or Amenity		Miles From Subject
1	CVS Pharmacy	Drug Stores	0.1 miles
2	Atlanta Police Precinct Zone 3	Police	0.2 miles
3	Kroger Food Store	Grocers	0.4 miles
4	South Fulton Medical Center	Hospital	0.7 miles
5	Stewart Lakewood Library	Library	0.9 miles

Detrimental Influences: No significant detrimental influences.

Environmental Concerns: None visible upon site inspection. We recommend the sponsor obtain a Phase 1 environmental study to determine any possible environmental risk.

Conclusion: Residents of the Subject will be able to benefit from close proximity to local services given that all are located within a short driving distance. Also, the Metropolitan Atlanta Rapid Transit Authority (MARTA) has a bus stop near the entrance to the Subject which benefits residents that require public transportation. These factors have positive impacts for the long-term prospects of the Subject. In general, the Subject site appears to be a favorable location for multifamily development.

Maps (included in the Addenda):

1. Regional Map
2. Neighborhood Map
3. Map of Primary Market Area
4. Map of Rent Comparables
5. Map Showing local services.
6. Showing subsidized low income housing (LIHTC, Sec 8, RD)

Photographs: (included in the Addenda):

1. Subject stating from which direction.
2. Street scenes and pertinent neighborhood photos.

D. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject is located on 2611 Springdale Road SW, Atlanta, Fulton County, Georgia. The primary market area defined as all the areas south of Interstate 20, west of Metropolitan Parkway, north of Central Avenue and east of Delowe Drive. The determination of this market area was influenced by conversations with surveyed property managers that reported that the majority of rental traffic originates from throughout Fulton County.

The overall Atlanta market has demonstrated steady population, business and employment growth in the area over the past ten years. As a result, the residential housing inventory has increased to support the economic escalations experienced within the market. As parts of the downtown Atlanta area become “built out”, more households have migrated to areas outside of Interstate 285. The primary source of demand is expected to be generated from within the PMA. However, we believe that the Subject will attract a reasonable number of households from areas throughout Fulton County as well as the PMA.

Neighborhood Analysis

The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operation of social, economic, governmental and environmental factors influences the marketability of real estate. In the neighborhood analysis, we focus on how these factors interact in the immediate vicinity of the Subject. Our analysis will focus on the neighborhood as a whole with individual focus on the location in the community and the demographic characteristics in the community.

The Subject is located at 2611 Springdale Road SW in Atlanta, Georgia. To further illustrate the location of the Subject in relation to other properties and land uses, a map of the neighborhood is located in the addenda.

Location and Boundaries

The Subject neighborhood generally lies north of North Avenue, east of Sylvan Road, south of Lakewood Freeway and west of Interstate 75. The area is considered to be a residential area with retail and commercial improvements located along the major arteries.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Atlanta MSA are areas of growth or contraction. The Atlanta MSA is considered the secondary market area. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Historic and estimated data will be presented for years 1990, 2001 and 2006. Data has also been projected for 2005, the year in which the Subject is expected to begin operation.

Population for Seniors Aged 55 and Over

The table below illustrates senior population in the Primary Market Area and Atlanta MSA for 2001 and 2006. The Subject is age restricted to tenants aged 55 and over. Therefore, we have used data for the 55 and over age group.

Senior Population				
Year	Atlanta MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2001	647,693	-	24,071	-
2006	853,366	6.35%	28,163	3.40%
Market Entry	812,231		27,345	

Source: ESRI Business Information Systems 6/2003

As illustrated in the table above, senior population is expected to continue growing in the PMA over the next five years. This is consistent with the demographic trends for the Atlanta MSA as a whole. This suggests an aging population that may choose apartment living to reduce home ownership burdens. These trends are occurring nationwide, with respect to the senior population, as the “baby-boomers” are now reaching retirement age. Further, based upon historic mortality trends, it suggests an increase in the number of single-person elderly female households. By the time of market entry, there will be approximately 812,231 persons aged 55 and older in the MSA compared to 27,345 in the PMA. The rapid growth of the senior population in the PMA and MSA will support demand for the Subject. It is important to note that the projected annual growth in senior population will outpace the annual growth for the overall population from 2001 to 2006. The historical and projected growth trends for the overall populations in the MSA and PMA are illustrated in the following table.

Overall Population				
Year	Atlanta MSA		PMA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
1990	2,833,511	-	150,873	-
2001	4,285,271	4.66%	157,096	0.37%
2006	5,016,695	3.41%	162,888	0.74%
Market Entry	4,870,410		161,730	

Source: ESRI Business Information Systems, Novogradac & Company LLP 6/2003

Population by Age Group

Population and household growth by age group can illustrate demand or lack of demand for a housing complex that may be age-restricted. The table below shows the population by age, percent of population in the age cohort, and the annual population change for the age cohort for the PMA.

POPULATION BY AGE

Age Cohort	Population by Age for the PMA				
	2001		2006		Annual Population Change
	Number	Percent	Number	Percent	
55 – 64	10,529	43.74%	13,175	46.78%	5.03%
65 – 74	6,943	28.84%	7,847	27.86%	2.60%
75 – 84	4,635	19.26%	4,853	17.23%	0.94%
85 +	1,964	8.16%	2,288	8.12%	3.30%
Total	24,071	100%	28,163	100%	

As the table above illustrates, the majority of the senior households within the PMA are within the 55 to 64 age groups. In fact, this age segment accounts for approximately 44 percent of the overall senior population located within the PMA. Additionally, this age segment is projected to have the highest annual increase over the next five years. Given the fact that seniors often relocate to be near their children, this growth is considered a positive indication for the Subject property.

Senior Households

The table below describes senior household trends in the market area from 2001 through 2006.

SENIOR HOUSEHOLD TRENDS: 2001-2006		
Year	PMA	Atlanta MSA
2001	15,670	387,456
2006	18,054	507,188
Projected % Annual Change 2001-2006	3.04%	6.18%
Projected Average Annual Change 2001-2006	477	23,946
Projected Households 2005	17,577	483,242

Source: ESRI Information Systems, 06/2003

In the PMA, projections indicate households are expected to increase at an annual rate of 3.04 percent in the next five years compared to 6.18 percent for the MSA as a whole. Overall, this indicates a stable senior growth trend for the region.

Households by Tenure

While household growth is vital to the success of a new housing development, the presence of household growth by tenure can provide support for a particular housing type. For example, for demand to exist in a rental complex, growth must be evident for renter households. Senior specific household tenure is only available census year 2000. In that year 43.6 percent of senior households were renter households. Seniors have the highest homeownership rates of any group, making up nearly one-quarter of all owners. Although they relocate much less often than younger households, people 65 or older currently account for about one-tenth of buyers of new homes; those between the ages of 55 and 64 accounts for another tenth. Only ten percent of seniors live in age-restricted communities.

Households Size

Household size is depicted in the following table for both the PMA and MSA. Most senior households consist of one to two people. The table below illustrates the percentage of households with one person and the percentage of households with two or more people.

Households with Persons 55 and Over - 2001

<i>Household Size</i>	MSA		PMA	
	<i>Senior Households</i>	<i>%household</i>	<i>Senior Households</i>	<i>%household</i>
One Person	108,488	28.00%	6,375	40.68%
Two Person or More	278,968	72.00%	9,295	59.32%

Source: US Census Bureau, Novogradac & Company LLP, 6/03.

Senior households are rarely composed of more than two individuals. According to ESRI Information Systems data, in 2000, approximately 41 percent of senior households age 55 and older within the PMA were one-person households. Although this data is security lightly dated, we will make the assumption that the same percentage of senior households will be single person households in 2001 and in the base year for our demand analysis, 2005. For the purposes of this market study, the remainder of senior households is assumed to be two person households. In general, both one and two person household are expected support demand for the Subject.

Income

The table below illustrates the median household income in the PMA and MSA for households with a senior aged 55 or older as the householder.

MEDIAN HOUSEHOLD INCOME FOR SENIORS

Year	Atlanta MSA		PMA	
	<i>Income</i>	<i>Annual Change</i>	<i>Income</i>	<i>Annual Change</i>
2001	\$45,823	-	\$16,540	-
2006	\$54,784	3.91%	\$21,258	5.71%
Market Entry	\$52,693		\$20,314	

Source: ESRI Business Information Systems, Novogradac & Company LLP 6/2003

For the PMA, income levels are projected to increase approximately 5.71 percent annually over the next five-year period compared to 3.91 percent annually within the MSA. However, the median income for seniors ages 55 and older within the PMA is projected to be 61 percent less the MSA by the time of market entry. This indicates a greater housing need in the PMA versus the MSA. Disparities in wealth among seniors will continue to limit the housing and care options that many will be able to pursue. In particular, renter households headed by a person 65 or older in the United States in 1995 – one-fifth of the senior population – had a median net wealth of only \$6,460, compared with \$141,300 for those owning homes according to a study conducted by the American Association of Retired Persons (AARP). The following table illustrates the income distribution of the senior population in the PMA.

SENIOR HOUSEHOLD INCOME

Income Cohort	Senior Population PMA			
	2001		2006	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
\$0 - \$14,999	3,156	20.14%	2,961	16.40%
\$15,000 - \$24,999	4,499	28.71%	4,060	22.49%
\$25,000 - \$34,999	3,225	20.58%	3,181	17.62%
\$35,000 - \$49,999	2,039	13.01%	3,246	17.98%
\$50,000 - \$74,999	1,489	9.50%	2,186	12.11%
\$75,000 - \$99,999	680	4.34%	1,313	7.27%
\$100,000 +	583	3.72%	1,107	6.13%
Total	15,670	100.00%	18,054	100.00%

Source: ESRI Business Information Systems, 6/2003

As illustrated in the table above, the largest income bracket is \$15,000-\$24,000. The Subject is expected to target households with annual incomes ranging from \$0 to \$17,100. Therefore, a large number of households (8,264) are income eligible to reside at the Subject.

Conclusion

The senior population is expected to increase by 3.17 percent from 2001 to 2006. Further, projections indicate households are expected to increase at an annual rate of 2.83 percent during the same time period. This suggests an aging population that may choose apartment living to reduce home ownership burdens. By the time of market entry, there will be approximately 21,405 persons aged 55 and older in the PMA. The Subject is expected to supplement the one and two-bedroom housing stock that typically appeal to senior oriented residents. The largest income bracket is \$15,000-\$24,000. The Subject is expected to target households with annual incomes ranging from \$0 to \$34,200. Therefore, a large number of households (8,264) are income eligible to reside at the Subject. This should increase the desirability for the Subject given that senior oriented affordable housing options are limited within the PMA.

Sub Market Analysis – The National Senior Housing Market

According to *Housing America's Seniors*, published by the Joint Center for Housing Studies of Harvard University, the senior housing situation is approaching a point at which supply and demand will change dramatically. One in 8 Americans today is a senior citizen, compared with only 1 in 25 at the dawn of the 20th century. By 2030, when most baby boomers will have retired, this ratio will have increased to 1 in 5. By 2030, the senior population is expected to nearly double to about 70 million – bringing their share of the entire U.S. population to a formidable 20 percent. With that increase in population comes an increase and a change in housing needs.

Seniors have the highest homeownership rates of any group, making up nearly one-quarter of all owners. Homeownership rates peak for persons 65-74 at 82.8% as of 2000. Although they relocate much less often than younger households, people 65 or older currently account for about one-tenth of buyers of new homes; those between the ages of 55 and 64 account for another tenth. Only ten percent of seniors live in age-restricted communities. Fully 9 in 10 people age 70 and over live in conventional housing. Assisted communities are home to only 3% of the nation's seniors 70 or older living outside of nursing homes. The share does, however, rise with age and reach 7% of those aged 85 to 89.

Approximately one-quarter of seniors spend more than 30 percent of their income for housing and support services. Owners have lower cost-to-income ratios than renters: 18 percent of owners spend more than 30 percent of their incomes on out-of-pocket housing costs, compared with 52 percent of renters. According to the *1999 American Housing Survey*, all senior households pay a median of 19 percent of their income towards housing. However, for senior renter-occupied households, that percentage increases dramatically to 34 percent. The table below shows the breakdown.

MONTHLY HOUSING COSTS AS A % OF CURRENT INCOME		
	1999	1999 Renter-Occupied
<5%	5%	1%
5-9%	15%	2%
10-14%	15%	4%
15-19%	12%	6%
20-24%	9%	6%
25-29%	8%	11%
30-34%	5%	10%
35-39%	5%	7%
40-49%	6%	10%
50-49%	3%	7%
60-69%	2%	4%
70-99%	4%	8%
100%+	7%	12%
0 or Negative Income	3%	2%
No Cash Rent	2%	10%
Median (0-99)	19	34

Source: 1999 American Housing Survey

Only a small percentage of senior renters receive any type of rent reduction as shown on the table below.

RENT REDUCTIONS	1999 RENTER-OCCUPIED
No Subsidy	41%
Rent Control	3%
No Rent Control	38%
Reduced by Owner	11%
<i>Not Reduced by Owner</i>	88%
<i>Owner Reduction Not Reported</i>	1%
Owned by Public Housing Authority	8%
Government Subsidy	6%
Other, Income Verification	3%
Subsidy Not Reported	1%

Source: 1999 American Housing Survey

Only three percent have a rent-controlled apartment; eight percent reside in public housing; six percent receive a government subsidy; and three percent take advantage of rent other rent-reduction programs.

Trends Shaping Demand

Many of the factors shaping the lives and housing choices of tomorrow's elderly, including better health, greater longevity for men, increased wealth, and ongoing technological innovation, are already at work. With the expectation of living longer, healthier lives, more seniors may elect to delay retirement. Increases in the qualifying age for receipt of Social Security payments may also induce many to continue working. Expanded telecommunications give seniors more choices about where to live and how long to work, with a growing share of semi-retirees likely to telecommute to their jobs.

Making Housing Choices

About 15 percent of the elderly make special arrangements to receive care in regular housing. Of this group, about two-thirds live in shared housing, a living arrangement generally including a non-elderly person or for the express purpose of assisted living. The other third live in "supported housing," where they receive outside help from a non-family member.

The chances that seniors opt for shared or supported housing increase with the number of difficulties that they have with daily living activities. However, the proximity of children is an equally important factor. The fewer children they have living nearby, the more likely seniors are to choose assisted, supported, or shared arrangements.

Seniors consistently state that they prefer to "age in place," and the percentage responding so increases with age. However, fully 39 percent of Americans do change residences after they reach the age of 60. At least four-fifths of the moves seniors make are local. In a typical year, only about one percent of the elderly move across a state boundary and many of these moves are within the same metropolitan area.

According to the National Institute on Aging's Assets and Health Dynamics Among the Oldest Old (AHEAD) Survey, women are increasingly making up a larger share of the older population rising from 58.3 percent of 70-74-year olds to 79.2 percent of those aged 90 or older. This means there is an increasing supply of single women who will likely look to senior housing options rather than try to maintain a home alone. Roughly seven percent of those aged 70 and over - about two million seniors - currently reside in age-restricted communities that do not provide care to residents.

According to the *1999 American Housing Survey*, 17 percent of seniors have moved since 1995. For renter households, 38 percent has moved in the last four years. However 53 percent of all households have lived in their homes for 20 years or more compared to only 18 percent of renter households. The table below gives a more complete breakdown.

YEAR HOUSEHOLDER MOVED INTO UNIT		
	1999	1999 Renter-Occupied
1995-1999	17%	38%
1990-1994	11%	20%
1985-1989	11%	13%
1980-1984	7%	8%
1975-1979	9%	6%
1970-1974	8%	4%
1960-1969	17%	6%
1950-1959	13%	2%
1940-1959	4%	1%
1939 or earlier	2%	1%
	1977	1992
Median		

Source: *1999 American Housing Survey*

Seniors who make long-distance moves tend to be younger, healthier, and somewhat better educated. They also have somewhat higher incomes. As their health declines and they become more dependent, however, some return to their home states or move to locations closer to their families. Healthy seniors generally favor age-restricted communities that do not provide services.

Where Seniors Live

The *1999 American Housing Survey* shows that 80.3 percent of all senior households 65 and over are homeowners while 19.7 percent are renter households. Home ownership is up 1.4 percent since 1997. Most households live in single-family homes with three bedrooms. However, there is a large disparity in the housing conditions of the senior population at-large and senior renter households. The table below gives some vital statistics on senior housing as of 1999.

	1999 Total Households	1999 Renter Households
Units in Structure		
1, detached	68.7%	18.2%
1, attached	5.7%	7.4%
2 to 4	5.6%	18.3%
5 to 9	2.7%	10.2%
10 to 19	2.4%	9.1%
20 to 49	3.0%	11.7%
50+	5.7%	22.6%
mobile home or trailer	6.4%	2.5%
Stories in Structure		
1	39.1%	26.4%
2	29.4%	28.1%
3	17.1%	18.2%
4 to 6	4.9%	12.0%
7+	3.2%	12.7%

Source: *1999 American Housing Survey*

As the table below shows, there are some striking differences in lifestyle for senior renter households. While only 13.8 percent of all households live in a multi-family building, 71.9 percent of renter households live in buildings with two or more units. The majority (22.6 percent) live in large developments of 50 units or more. In addition to living in large developments, renter households are more likely to live in a mid-rise or high-rise development: 24.7 percent compared to only 8.1 percent for total households. This presents complications, as many seniors are not able to navigate staircases in the event of an emergency evacuation.

The biggest disparity between renter households and total households is in the size of the household and the housing unit as shown on the table below.

	1999 Total Households	1999 Renter Households
Bedrooms		
0	0.6%	2.7%
1	12.4%	47.2%
2	31.8%	35.6%
3	41.7%	11.9%
4+	13.5%	2.5%
Median	2.6	2.6
Persons Per Households		
1	44.9%	70.0%
2	45.2%	23.9%
3	5.9%	3.6%
4	2.2%	1.3%
5	0.9%	0.5%
6	0.5%	0.4%
7+	0.3%	0.2%
Median	1.6	N/Av

Source: 1999 American Housing Survey

Most renter households (70.0 percent) are one-person households compared to only 44.9 percent of total senior households. This reflects the trend of persons moving into senior housing upon the death of a spouse. Those persons who are married or living with someone are much more likely to retain their current residence. There are very few senior households with more than two persons in residence. Many of these larger households include grandchildren.

This disparity in the size of the household is further reflected in the number of bedrooms in each housing unit. While only 12.4 percent of total senior households live in a one-bedroom unit, 47.2 percent of renter households live in a one-bedroom unit. The two-bedroom unit is the most common for the total population with 31.8 percent, slightly below the 35.6 percent of renter households in a two-bedroom. Because of the smaller household size, very few senior households require a home with three bedrooms or more. However, because many owner households have lived in their homes since their children were born and a three-bedroom home was necessary, 41.7 percent of the total senior population occupied a three-bedroom unit. Only 11.9 percent of renter households live in a three-bedroom home.

Where Seniors Move

The table below shows data collected in a 1992 AARP survey. Although the survey only included single elderly women, it is relevant to all senior housing as single elderly women make up the largest portion of tenants in senior housing.

FACILITIES AND SERVICES DESIRED WITHIN EASY WALKING DISTANCE BY ELDERLY WOMEN LIVING ALONE

Facility or Service	% Response
Bus stop for buses to important places	91%
Favorite grocery store	79%
Own Bank	68%
Favorite library	67%
Own place of worship	65%
Senior's Center	65%
Favorite drugstore	62%
Favorite restaurant	56%
Nutrition site for seniors	55%
Another drugstore	55%
Own doctor	53%
Another bus stop	51%
Favorite beauty shop	51%
Fire station	51%

Source: 1999 American Housing Survey

The results of the survey confirm the desire of elderly persons to age in place – if not in their own home, then at least in their own neighborhood. They want to be surrounded by familiar things including their own grocery store, bank, library, place of worship, drugstore, restaurant, and doctor. If senior housing is not located within an existing neighborhood, it should be designed to provide comparable amenities nearby. The transition to a new grocery store, drugstore, etc. is made easier if the facility is conveniently located.

The 1999 American Housing Survey supports the findings of the AARP report. According to the Survey, of those seniors who moved within the past year, 39 percent of all senior households selected their present neighborhood based on its convenient access to friends and family. This again indicates that seniors want to stay within familiar surroundings. The full results are on the table below.

MAIN REASON FOR CHOICE OF PRESENT NEIGHBORHOOD Senior Households Who Moved In the Last Year

	1999	1999 Renter-Occupied
Convenient to Friends/Family	39%	42%
Look/Design of Neighborhood	25%	22%
House was Most Important Consideration	20%	18%
Convenient to Leisure Activities	7%	7%
Convenient to Job	5%	5%
Other Public Services	3%	5%
Convenient to Public Transportation	1%	2%
Good Schools	0%	0%
All Equal	7%	9%
Other	27%	33%
Not Reported	16%	16%

Source: 1999 American Housing Survey

For those who moved in the last year, their reasons were varied, but included family/personal reasons; a need for lower rent or housing maintenance; and other housing related reasons. The need for lower rent and home maintenance costs was more important to renters than to seniors in general. More homeowners tended to move out of a desire for a better home as shown on the table below.

MAIN REASON FOR LEAVING PREVIOUS UNIT SENIOR HOUSEHOLDS WHO MOVED IN THE LAST YEAR		
	1999	1999 Renter-Occupied
Other Family/Personal Related	19%	20%
Wanted Lower Rent or Maintenance	7%	10%
Other Housing Related Reasons	11%	10%
Wanted Better Home	10%	8%
To Establish Own Household	3%	5%
Married/Separated/Divorced/Widowed	4%	4%
Other Financial/Employment Related	3%	4%
Needed Larger House or Apartment	4%	3%
Change from Owner/Renter or Renter/Owner	5%	3%
Private Displacement	1%	2%
To be Closer to Work/School/Other	2%	1%
Government Displacement	1%	1%
Disaster Loss	1%	1%
New Job or Job Transfer	0%	0%
All Equal	2%	2%
Other	24%	21%
Not Reported	5%	4%

Source: 1999 American Housing Survey

Despite a need for lower rent and home maintenance, most households reported an increase in housing costs after their move. This is most likely the result of a move into assisted living or nursing home care. Only 24 percent of renter-occupied households reported a rent decrease with their move.

CHANGE IN HOUSING COST SENIOR HOUSEHOLDS WHO MOVED IN THE LAST YEAR		
	1999	1999 Renter-Occupied
Increased with Move	36%	41%
Decreased	28%	24%
Stayed About the Same	31%	29%
Don't Know	5%	5%
Not Reported	0%	0%

Source: 1999 American Housing Survey

Of those who moved, 42 percent went from homeowner to renter as shown on the table below.

TENURE OF PREVIOUS RESIDENCE SENIOR HOUSEHOLDS WHO MOVED IN THE LAST YEAR		
	1999	1999 Renter-Occupied
Owner	63%	42%
Renter	37%	58%

Source: 1999 American Housing Survey

For those who are currently apartment-dwellers, 75 percent of renter-occupied households did not consider moving into a single-family home.

FOR THOSE NOW IN APARTMENT SENIOR HOUSEHOLDS WHO MOVED IN THE LAST YEAR		
	1999	1999 Renter-Occupied
Did Not Look at Houses	82%	75%
Looked at Houses Too	13%	18%
Not Reported	5%	7%

Source: 1999 American Housing Survey

Financial reasons were the primary determinant for rent-occupied households. However, for all senior households, room layout and design was the most important ingredient in their housing choice. In addition, 18 percent of renter households did not have a choice to make, as their current home was the only one available at the time. Owner-occupied households had more options as only 13 percent of total households faced the same situation.

MAIN REASON FOR CHOICE OF PRESENT HOME Senior Households Who Moved In the Last Year		
	1999	1999 Renter-Occupied
Financial Reasons	28%	35%
Room Layout/Design	30%	20%
Only One Available	13%	18%
Size	12%	12%
Yards/Trees/View	6%	7%
Exterior Appearance	6%	5%
Quality of Construction	4%	3%
Kitchen	0%	1%
All Equal	10%	7%
Other	21%	23%
Not Reported	17%	17%

Source: 1999 American Housing Survey

This chart reveals the disparity in the living conditions between owner and renter households. Many renter households are forced to make their housing decisions based on limited options and tight financial constraints.

Income Factors

Wealth and income disparities will continue to limit the housing choices of millions of Americans, especially those of color. About 20 percent of seniors have a net worth of less than \$25,000 and ten percent have net worth between \$25,000 and \$50,000. Many seniors face difficulties paying for their current housing. In 1995, 2.2 million aged 65 and over – more than half of them homeowners – paid more than half their incomes for housing.

Disparities in wealth among seniors will continue to limit the housing and care options that many will be able to pursue. In particular, renter households headed by a person 65 or older in 1995 – one-fifth of the senior population – had median net wealth of only \$6,460, compared with \$141,300 for those owning homes.

Approximately nine percent of seniors are currently working. Even so, over half of the incomes of those ages 55 and over are derived from Social Security, with another 20 percent from pensions and only five percent from earnings. Earnings from other household members and other investment income each contribute another eight to nine percent of elderly incomes. Very little income comes from Supplementary Social Insurance (SSI) or food stamps.

In addition to low incomes, the senior population must compete with the general working population for housing. In areas such as Seattle, which have seen strong income growth in recent years, affordable housing is increasingly out of reach for households with fixed incomes. This problem has the largest impact on renters who are more susceptible to market swings than homeowners who generally feel the impact through property taxes.

Conclusion

The national indicators for senior housing paint a positive picture for the Subject. The surveys indicate seniors will leave even their owner-occupied housing for more affordable, lower-maintenance rental housing such as that which the Subject will provide. The surveys also indicate a desire to move near children and medical facilities. The Subject is adjacent to the regional most comprehensive medical facility and is additionally proximate to all necessary services.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income ("AMI"), adjusted for household size and utilities. The Georgia Department of Community Affairs ("DCA") will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

1. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2005, the anticipated date of market entry, as the base year for the analysis. Therefore, 2001 household population estimates are grown to 2005 by interpolation of the difference between 2001 estimates and 2006 projections. Annual change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2005.

2. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs.

This data is based upon the 2000 Census. The second source **(2b.)** is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. The third source **(2c.)** is those seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct additions to supply constructed from 1999 to 2005 that are considered directly competitive. Given that all of the surveyed properties included in our analysis has been constructed prior to 1990, no units have been excluded in our demand analysis. We have illustrated demand analysis for the Subject in the following table.

Capture Rates

The above calculations and derived capture rates are illustrated in the following table.

Household Income Distribution 2001-2006						
Trinity Towers						
PMA						
	2001		2006		Percent Growth	
	#	%	#	%		
Less than \$14,999	3,156	20.14%	2,961	16.40%	-6.6%	
\$15,000 - \$24,999	4,499	28.71%	4,060	22.49%	-10.8%	
\$25,000 - \$34,999	3,225	20.38%	3,181	17.62%	-1.4%	
\$35,000 - \$49,999	2,039	13.01%	3,246	17.98%	37.2%	
\$50,000 - \$74,999	1,489	9.50%	2,186	12.11%	31.9%	
\$75,000 - \$99,999	680	4.34%	1,313	7.27%	48.2%	
\$100,000 +	583	3.72%	1,107	6.13%	47.3%	
Total	15,670	100.00%	18,054	100.00%	13.2%	

Household Income Distribution 2006				
Trinity Towers				
	PMA			Change 2001 to 2005
	#	%	#	
Less than \$14,999	3,000	17.07%	-156	
\$15,000 - \$24,999	4,148	23.60%	-351	
\$25,000 - \$34,999	3,190	18.15%	-35	
\$35,000 - \$49,999	3,005	17.09%	966	
\$50,000 - \$74,999	2,047	11.64%	558	
\$75,000 - \$99,999	1,186	6.75%	506	
\$100,000 +	1,002	5.70%	419	
Total	17,577	100.00%	1,907	

Tenure as of 2000	
Reitler	43.61%
Owner	56.39%
Total	100.00%

Household Size for 2005		
Size	Number	Percentage
1	7,151	40.68%
2	10,426	59.32%
	17,577	100.00%

Household Size for 2000		
Size	Number	Percentage
1	6,375	40.68%
2	9,295	59.32%
	15,670	100.00%

Calculation of Potential Household Demand by Income Cohort by Percent of AMI Level		PBRA		30%	
		\$0		\$12,000	
		\$28,500 2 Person		\$17,100 2 Person	
Minimum Income Limit					
Maximum Income Limit					
	New Households - Total Change in Households PMA 2001 to 2005				Households within Bracket
Income Category		Income Brackets	Percent within Cohort	Households within Bracket	
Less than \$14,999	-156	14,999	100%	-156	
\$15,000 - \$24,999	-351	9,999	100%	-351	
\$25,000 - \$34,999	-35	3,500	35%	-12	
\$35,000 - \$49,999	966				
\$50,000 - \$74,999	538				
\$75,000 - \$99,999	506				
\$100,000 +	419				
	1,907				
Percent of households within limits versus total number of households					

Calculation of Potential Household Demand by Income Cohort by % of AMI

Does the Project Benefit from Rent Subsidy? (Y/N)	No
Type of Housing (Family vs Senior)	Senior
Location of Subject (Rural versus Urban)	Urban
Percent of Income for Housing	40%
2000 Median Income	\$16,540
2005 Median Income	\$21,258
Change from 2000 to 2005	\$4,718.33
Total Percent Change	28.5%
Average Annual Change	5.7%
Inflation Rate	5.7%
Maximum Allowable Income	\$28,500
Maximum Number of Occupants	2 Persons
Rent Income Categories	PBRA
Initial Gross Rent for Smallest Unit	\$0.00
Initial Gross Rent for Smallest Unit Inflation Adjusted	\$0.00

Persons in Household	0BR
	0%
	1
	2
	3
	4
5	X
	X
	X
6	X
	X
7	X

Demand from New Households		
Income Target Population	PBRA	30%
New Households PMA	1,907	1,907
Percent Income Qualified	-27.2%	-5.5%
Income Qualified Households	-519	-105
Percent Renter	43.0%	43.6%
New Renter Income Qualified Households	-226	-46

Demand from Rent Overburdened Households		
Income Target Population	PBRA	30%
Total Existing Demand	17,577	17,577
Income Qualified	47.0%	8.4%
Percent Renter	43.6%	43.6%
Income Qualified Renter Households	3604	642
Percent Rent Overburdened Based on 2000 Census	28%	28%
Rent Overburdened Households	991	176

Demand from Living in Substandard Housing		
Income Qualified Renter Households	3604	642
Percent Living in Substandard Housing	1%	1%
Households Living in Substandard Housing	36	6

(EXCLUDING 2000-2004 CONSTRUCTED UNITS)

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership		PBRA	30%
Income Target Population		4660	829
Total Senior Homeowners			
Rural Versus Urban		2.0%	
Senior Demand Converting from Homeownership		93	17
Total Demand			
Total Demand from Existing Households		1120	199
Adjustment Factor		0	0
Adjusted Demand from Existing Households		1120	199
Total New Demand		226	46
Total Demand (New Plus Existing Households)		894	154
Demand from Seniors Who Convert from Homeownership			
Percent of Total Demand From Homeownership Conversion		10.4%	10.8%
Is this Demand Over 20 percent of Total Demand?		No	No
By Bedroom Demand			
One Person		40.68%	63
Two Persons		59.32%	91
Total		100.00%	154
To place Person Demand into Bedroom Type Units			
Of one person households in one-bedroom units		90%	56
Of two person households in one-bedroom units		20%	18
Of one person households in two-bedroom units		10%	6
Of two person households in two-bedroom units		80%	73
Total Demand		894	154
Check		OK	OK
Total Demand by Bedroom			
One Bedroom		PBRA	30%
Two Bedroom		433	75
Total Demand		461	79
		894	154
Additions To Supply 2000 to 2004			
One Bedroom		PBRA	30%
Two Bedroom		0	0
Three Bedroom		0	0
Four Bedroom		0	0
Total		0	0
Net Demand			
One Bedroom		PBRA	30%
Two Bedroom		433	75
Total		461	79
		894	154
Developer's Unit Mix			
One Bedroom		PBRA	30%
Two Bedroom		232	8
Three Bedroom		0	0
Four Bedroom		0	0
Total		232	8
Capture Rate Analysis			
One Bedroom		PBRA	30%
Two Bedroom		54%	11%
Three Bedroom		N/A	N/A
Four Bedroom		N/A	N/A
Total		26%	5%

Conclusions

We have conducted a demand analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 13.2 percent between 2001 and 2006.
- The Subject's target income group is from \$0 to \$28,500. This spreads across three income cohorts. The \$0 to \$14,999 cohort is expected to contract by 6.6 percent from 2001 to 2006. The \$15,000 to \$24,999 cohort is expected to contract by 10.8 percent from 2001 to 2006. The \$25,000 to \$34,999 cohort is expected to contract by 1.4 percent from 2001 to 2006. Overall, the appropriate income cohorts in the PMA are projected to contract by 677 households (6.2 percent). Despite projected losses in the number of households within the income cohorts targeted by the Subject, more than adequate income eligible demand exists within the primary market area for the Subject's proposed units.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable and income restricted option. We believe this to be significant and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

As the analysis illustrates, the Subject's capture rates vary from five to 26 percent. These capture rates are below the DCA limit of 30 percent. Overall, demand for the Subject's LIHTC is considered adequate. As stated, the Subject is currently 100 percent occupied with a two month waiting list as a project based Section 8 property. While we have not been provided with information on the sponsor's intent to maintain the Section 8 contract after renovation, we have assumed that a portion of the current tenancy will be income qualified to reside at the Subject. Furthermore, the long waiting list lists reported by the Fulton County Housing Authority and the City of Atlanta Housing Authority are expected to supplement demand at the Subject. As a final point, there are no existing multifamily projects for senior low-income households in the area surrounding the Subject. The Subject is expected to supplement this void by providing senior households on fixed monthly incomes an affordable housing option.

G. SUPPLY ANALYSIS

ATLANTA MULTIFAMILY RENTAL MARKET OVERVIEW

Introduction

We have conducted approximately 20 market studies in Atlanta in the past several years and have witnessed a tremendous increase in supply. Furthermore we have witnessed an increasing softness in the broader market area. However, there are numerous pockets of strong demand, particularly for affordable housing. Therefore we will examine the broader market in general then focus on the particular submarket within Atlanta for the Subject.

Rental Rates

According to the REIS "Metro Trend Report" for the first quarter of 2003, the rental rates for the Atlanta region have increased for the previous five years. However, the rate of this growth has slowed significantly since 2000. The average rental rate increase in the first quarter of 2003 was 0.1 percent. This rate of increase compares to an increase in 2000 at a rate of approximately eight percent. The following table depicts the average asking rental rate for properties in the Atlanta region based on the year that they were constructed.

AVERAGE ASKING RENT BY DATE OF CONSTRUCTION	
Year	Average Rent
Before 1970	\$690
1970 – 1979	\$718
1980 – 1989	\$794
1990 – 1994	\$931
After 1994	\$1,018
All Properties	\$822

Source: REIS Metro Trend Report, First Quarter 2003

As the table above depicts, the newer properties in the market are achieving significantly higher rents than the older properties. Additionally, the properties that were constructed after 1990 are achieving higher than the average rental rate. Therefore, newly constructed properties will have higher achievable rental rates than the properties in the market that are constructed prior to 1990.

Vacancy

The vacancy rate in the Atlanta region continues to increase according to the REIS report. In 2000, the vacancy rate was approximately five percent. As of the first quarter of 2003, the vacancy rate is 11.3 percent. The vacancy rate recently declined from 1998 to 2000. The following table depicts the average vacancy rates for properties based on the year that they were constructed.

AVERAGE VACANCY BY DATE OF CONSTRUCTION	
Year	Average Vacancy
Before 1970	11.2%
1970 – 1979	12.6%
1980 – 1989	10.7%
1990 – 1994	9.6%
After 1994	11.4%
All Properties	11.3%

Source: REIS Metro Trend Report, First Quarter 2003

As the table above depicts, the average vacancy rate varies by age of construction. The properties that were constructed from 1980 to 1994 are out performing the properties constructed in all other years in terms of vacancy rates. However, the vacancy rate of the properties that have been constructed since 1994 is somewhat skewed since the newest properties in the survey are still in their initial leasing periods. Therefore, it is expected that this age cohort will have a high vacancy rate when compared to the other age cohorts.

Growth in the Rental Inventory

The Atlanta market continues to experience an increase in its rental inventory. However, this rate of increase is slower now than it was in 1999. The peak of the growth rate in the rental market occurred in 1999 at a rate of approximately 4.5 percent. The growth rate in 2002 was approximately two percent. The following table depicts the overall market share of properties based on the year that they were constructed.

PERCENT OF MARKET SHARE BY DATE OF CONSTRUCTION	
Year	Market Share
Before 1970	15%
1970 – 1979	25%
1980 – 1989	31%
1990 – 1994	6%
After 1994	24%

Source: REIS Metro Trend Report, First Quarter 2003

As the table above depicts, a security light plurality of multifamily properties were constructed from 1980 to 1989. However, the recent years have also experienced a large portion of growth in terms of new units being added to the rental market.

Planned Developments

Metro Atlanta is split up into six relatively straightforward planning zones. These zones are Northside, Northwest, Northeast, Westside, Intown/South and Southside. Several of the recent residential developments that has occurred within these sections has been outlined in the following text.

Westside Redevelopment District:

This development area contains The Villages at Castelbury Hills and Magnolia Park Apartments, both of which are Low Income Housing Tax Credit Properties. These two projects were contributing factors to the redevelopment of this historical area of the city. Future new development initiatives include a \$140 million dollar renovation plan designed to refurbish commercial, retail, residential and recreational areas of this district. Project completion is planned for 2006 and will include condominiums, loft housing and mixed-use commercial spaces, spanning an area of 15 acres. The proposed developmental plan proposes 200 apartments over mixed commercial space as well as 125 condo's and 35 town homes.

Park Place South

Park Place South, a 68 million dollar residential project, will ultimately consist of 434 single family detached homes, town homes, multifamily complexes, and a 100-unit senior citizen independent living center. The project is currently under construction and is located south of the downtown Atlanta, on Pryor Road and Amal Drive. While these housing units are not quite complete, they are almost 50 percent pre-sold/leased.

Kings Ridge Development Area;

Kings Ridge Project Re-development area will consist of both single and multifamily housing structures located on the cities southeastern side. This area was the home of former multifamily structures which have since been demolished, and will be replaced by for sale and for rent single family detached homes, town homes, rental apartments, and independent living residences for seniors. The community will also feature, walking trails, a pool, clubhouse and a playground area for children.

Conclusion

The overall Atlanta economy is moderately strong, benefiting from population, business and employment growth that has occurred in the area over the past ten years. As a result, the residential housing inventory has increased to support the economic escalations experienced within the market. However, given the elevated number of recent multifamily additions to supply, the Atlanta MSA is experiencing higher than normal vacancy levels. According to the REIS “Metro Trend Report” for the first quarter of 2003, overall vacancy for the Atlanta MSA is 11.3 percent. Established older vintage properties have reported the reliance of concessions to remain competitive to newer affordable housing and market rate product. In some cases, the presence of these concessions will remain in place throughout the foreseeable future.

CHARACTERISTICS OF LIHTC PROJECTS UNDER CONSTRUCTION AND IN PLANNING

Each year the Georgia Housing Finance Authority, in conjunction with the Georgia Department of Community Affairs, accepts bids for LIHTC tax credit projects. The following table details the list of projects that have received tax credit allocations in Fulton County.

2001-2002 LIHTC Allocations in Fulton County				
Property	Address	City	Units	Tenancy
Crogman School	1093 West Avenue SW	Atlanta	105	Family
Peaks at West Atlanta	1255 Northwest Drive	Atlanta	214	Family
Ashley Courts	1371 Kimberly Road	Atlanta	96	Family
Lakewood Christian Manor	2141 Springdale Road	Atlanta	250	Older People
Holly Ridge	1620 Hollywood Rd NW	Atlanta	216	Family
Brookside Parkway	1780 Metropolitan Parkway	Atlanta	200	Family
Carver Redevelopment	201 Moury Avenue	Atlanta	216	Family
Park Place South Senior	240 Amal Drive	Atlanta	100	Elderly
Etheridge Court I & II	2500 Center St NW	Atlanta	354	Family
City Views at Rosa Burney Park	259 Richardson Street	Atlanta	180	Family/Older
Allen Temple Apt	3040 Middleton Avenue	Atlanta	458	Family
Town West Manor	330 Brownlee Rd SW	Atlanta	108	Family
Misty Amber Senior	3704 Martin Luther King Jr. SW	Atlanta	152	Elderly
Valena Henderson Village	431 Edgewood Avenue	Atlanta	39	Elderly
Hickory Park	4900 Delano Road	Atlanta	150	Family
Big Bethel Village	505 Fairburn Road	Atlanta	132	Elderly
Providence Heights	McClelland Avenue	East Pointe	244	Family
Orchard Springs	Oakley Industrial Boulevard	Fairburn	221	Family
Robins Creste	under construction	Atlanta	160	Family
Eagles Creste	under construction	Atlanta	284	Family
Columbia Estate	under construction	Atlanta	124	Family
Columbia at Peoplestown	under construction	Atlanta	99	Family
Columbia Highlands Senior	under construction	Atlanta	130	Elderly
The Peaks at MLK	under construction	Atlanta	183	Family
Alta Pointe	under construction	Atlanta	230	Family
		Total	4,645	

Section 8

According to Rene Stokes of the Fulton County Housing Authority there are currently 1,100 Section 8 vouchers that have been issued and there is a waiting list for 1,500 households, or an approximate one and a half years to two years. Ms. Stokes also stated that there was large demand for Section 8 housing as they receive several applications on a weekly basis. Illustrated in the table below is the historical trend in the past five years of Section 8 Vouchers that have been distributed in the City of Atlanta Housing Authority.

Annual Distribution of Section 8 Vouchers City of Atlanta		
Year	No. of Vouchers	Percentage change
1998	7,376	-
1999	7,451	1.02%
2000	8,483	13.85%
2001	9,477	11.72%
2002	11,127	17.41%

As illustrated, the growth rate of vouchers being distributed by the housing authority suggests an increasing need for affordable housing for low to very low-income households. According to Yolanda Hill from the Atlanta Housing Authority, 12,000 vouchers are being utilized with approximately 25,000 households that are currently on the waiting list. The waiting list has been closed since October 2001. As result, the housing authority is in the process of locating affordable housing for the current households on the waiting list before accepting additional requests. Ms. Hill stated that “there was great demand for affordable housing. Unfortunately, there was not enough funding from the state for affordable housing projects.”

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. As shown in the table above, there are a number of LIHTC projects existing in the area. However, none of the more recently constructed LIHTC properties are located near the Subject. However, three older vintage LIHTC properties were located within two miles of the Subject. We therefore consider the properties competitive and have included them in our analysis.

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey included seven “true” comparable properties containing 1,324 units. We have excluded several properties from our competitive analysis given dissimilarity with Subject as proposed. The following table illustrates these developments.

Name	Address	Type	Reason
Lakewood Christian	2141 Springdale Rd SW	Subsidized	Excluded – Section 8/Future LIHTC
Caribu Apartments	2001 Sylvan Road SW	Market	Excluded – Inferior
Santa Fe Villas	2370 Metropolitan Pkwy	Market	Excluded – SRO & Effc only
La Mancha Apartments	2600 Old Hapeville Road SW	Market	Excluded – Management Declined to participate
Crescent Hills-DM	532 Cleveland Avenue SW	Market	Excluded – Management Declined to participate
Evergreen Estates-MS	445 Cleveland Avenue SW		Excluded – 2BR & 3BR only

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Summary Matrix

Comp #	Project Name and Location	Type / Age	Market (Conv.) / Subsidy Type	# Units	Unit Type	Asking Rents				Unit Mix		Size (SF)	Units Vacant	Vacancy Rate	
						PBRA	30% AMI	50% AMI	60% AMI	Market	#				%
Subject	Trinity Towers Apartments 2611 Springdale Road SW Atlanta, GA	High Rise Rehabilitation	LIHTC	240	1BR/1BA	BOI	\$ 400			Market	240 240	100.00% 100.00%	546	N/Ap N/Ap	
1	Sumnerdale Apartments 2745 Old Hapeville Road, SW Atlanta, GA 404-767-6002	Garden 1965	LIHTC	244	1BR/1BA 2BR/1.5BA 2BR/2BA 2BR/2BA 3BR/2BA				\$ 570 \$ 650 \$ 680 \$ 680 \$ 760		8 100 36 52 48 244	3.28% 40.98% 14.75% 21.31% 19.67% 100.00%	650 1,080 825 950 1,065	0 0 6 0 2 8	0.00% 0.00% 16.67% 0.00% 4.17% 3.28%
2	Heritage Greene Apartments 2891 Springdale Road, SW Atlanta, GA 404-768-1158	Garden 1973	LIHTC	109	Studio 1BR/1BA 2BR/1BA 3BR/2BA		\$ 272 \$ 276 \$ 318 \$ 356	\$ 436 \$ 497 \$ 592 \$ 677	\$ 450 \$ 514 \$ 608 \$ 693	\$ 436 \$ 497 \$ 592 \$ 677	4 56 41 8 109	3.67% 51.38% 37.61% 7.34% 100.00%	N/Av N/Av N/Av N/Av N/Av	2 35 22 5 64	50.00% 62.50% 53.66% 62.50% 58.72%
3	Woods at Glenrose 50 Mount Zion Road, SW Atlanta, GA 404-361-6175	Garden 1966	LIHTC	142	1BR/1BA 2BR/1BA 2BR/1.5BA				\$ 535 \$ 625 \$ 650		30 52 60 142	21.13% 36.62% 42.25% 100.00%	900 1,036 1,105 0	1 6 0 7	3.33% 11.54% 0.00% 4.93%
4	Sylvan Circle Apartments 1950 Sylvan Road, SW Atlanta, GA 404-755-7134	Garden 1950	LIHTC/Market	296	Studio 1BR/1BA				\$ 395 \$ 435	\$ 395 \$ 435	97 199 296	32.77% 67.23% 100.00%	550 625	1 1 2	1.03% 0.50% 0.68%
5	South Towne Apartments 827 Fredell Circle Atlanta, GA 404-761-7317	Garden 1963	Market	148	1BR/1BA* 2BR/1.5BA*				\$ 464 \$ 510		10 138 148	6.76% 93.24% 100.00%	850 850	4 40 44	40.00% 28.99% 29.73%
6	Manor IV 2604 Old Hapeville Road, SW Atlanta, GA 404-761-3290	Town Homes 1975	Market	80	1BR/1BA 2BR/1BA				\$ 535 \$ 675		24 56 80	30.00% 70.00% 100.00%	703 995	N/Av N/Av 12	N/Av N/Av 15.00%
7	Brighton Court Apartments 2950 Springdale Road, SW Atlanta, GA 404-763-1261	Garden 1969	Market	100	1BR/1BA* 2BR/1.5BA* 2BR/1.5BA*				\$ 503 \$ 578 \$ 613		N/Av N/Av N/Av 100	N/Av N/Av N/Av 100.00%	750 1,350 1,350	N/Av N/Av N/Av 14	N/Av N/Av N/Av 14.00%
*Indicates Concessed Rents															
					Studio	101	10.76%						3	2.97%	
					Total 1BR	303	32.27%						41	13.53%	
					Total 2BR	479	51.01%						74	15.45%	
					Total 3BR	56	5.96%						7	12.50%	
					Grand Total by Unit Type Excluding Subject	939	100.00%						125	13.31%	
					Total Including Properties Not Reporting Breakdown	1,119							151	13.49%	
					Average Year Built										
					Oldest Property										
					Youngest Property										
Largest Property					296										
Smallest Property					80										
Average Size					162										

One-Bedroom Matrix

Comp #	Subject	1	2	3	4	5	6	7
Project Name	Trinity Towers Apartments	Summerdale Apartments	Heritage Greene Apartments	Woods at Glenrose	Sylvan Circle Apartments	South Towne Apartments	Manor IV	Brighton Court Apartments
Base Rent/Month PBRA	BOJ							
Unit GLA (SF)	546							
Adjusted Utility Base Rent/Month	BOJ							
Base Rent/Month 30% AMI	\$400		\$276					
Unit GLA (SF)	546		N/Av					
Adjusted Utility Base Rent/Month	\$400		\$368					
Base Rent/Month 50% AMI			\$497					
Unit GLA (SF)			N/Av					
Adjusted Utility Base Rent/Month			\$589					
Base Rent/Month 60% AMI		\$570	\$514	\$535	\$415			
Unit GLA (SF)		650	N/Av	900	625			
Adjusted Utility Base Rent/Month		\$638	\$606	\$603	\$527			
Base Rent/Month Market			\$497		\$435	\$464	\$535	\$503
Unit GLA (SF)			N/Av		625	850	703	750
Adjusted Utility Base Rent/Month		\$638	\$589		\$527	\$532	\$627	\$595
Market (Conv.)/Subsidy Type	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market
Total Units/Type	240	8	56	30	97	10	24	N/Av
Vacant Type	0	1	13	1	1	4	N/Av	N/Av
Occupancy	100%	100%	38%	97%	99%	60%	No	No
Property Type	High Rise	Garden	Garden	Garden	Garden	Garden	Town Homes	Garden
Year Built	Rehabilitation	1965	1973	1966	1950	1963	1975	1969
In-Unit Features								
Baths (No. of)	1	1	1	1	1	1	1	1
Blinds	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Carpeting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ceiling Fan	No	Yes	Yes	No	Yes	Yes	No	No
Fireplace	No	No	No	No	No	No	No	No
Exterior Storage	No	No	No	No	No	No	No	No
Patio/Balcony	Yes	No	Yes	Yes	No	No	Yes	No
Appliance Package								
Refrigerator	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Stove	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dishwasher	Yes	Yes	Yes	No	No	No	Yes	Yes
Disposal	Yes	Yes	Yes	Yes	Yes	No	No	No
Microwave	No	No	No	No	No	No	No	No
Washer & Dryer (In-Unit)	No	No	No	No	No	No	No	No
Washer & Dryer (Hook-ups)	No	Yes	Yes	No	No	No	No	No
Central Air Conditioning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Utilities								
Cooking - Power	Electric	Electric	Electric	Electric	Gas	Gas	Gas	Electric
Heat - Power	Electric	Electric	Electric	Electric	Gas	Gas	Gas	Gas
Hot Water - Power	Electric	Electric	Electric	Electric	Gas	Gas	Gas	Gas
Utilities-Cooking	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Utilities-Heat	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Utilities-Hot Water	Landlord	1969	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Utilities-Electric	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Utilities-Water/Sewer	Landlord	Landlord	Tenant	Landlord	Tenant	Landlord	Tenant	Tenant
Utilities-Trash	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord	Landlord
Utility Adjustment to Net Rent	\$ -	\$ 68.00	\$ 92.00	\$ 68.00	\$ 92.00	\$ 68.00	\$ 92.00	\$ 92.00
Parking								
Surface	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Carport	No	No	No	No	No	No	No	No
Garage	No	No	No	No	No	No	No	No
Common Area Amenities								
Security								
-Courtesy Patrol/Officer	Yes	Yes	Yes	No	Yes	No	Yes	Yes
-Perimeter Fencing	Yes	No	No	Yes	No	No	Yes	No
-Intercom	Yes	No	No	No	No	No	No	No
-Secured Parking	No	No	No	No	No	No	No	No
-Intrusion Alarm	Yes	No	No	No	No	No	Yes	Yes
-Security Lighting	No	No	No	No	No	No	No	No
Clubhouse/Community Room	Yes	No	No	No	No	No	No	No
Swimming Pool	No	No	No	No	No	No	No	No
Jacuzzi	No	No	No	No	No	No	No	No
Exercise Room	Yes	No	Yes	No	No	No	No	No
Picnic Area (Grills)	Yes	No	Yes	No	No	No	No	No
Tennis Courts	No	No	No	No	No	No	No	No
Basketball Courts	No	No	No	No	No	No	No	No
Playground	No	No	Yes	Yes	No	Yes	No	Yes
Central Laundry	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Resident Programs								
Comments								

Comparable Property #1

Name: Summerdale Apartments
Address: 2745 Old Hapeville Road, SW
Atlanta, GA
Phone: 404-767-6002
Miles to Subject: 1.4

Year Built: 1965/1999
Type: Garden
Program: LIHTC
Occupancy: 97%
No. of Units: 244



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☒ Dishwasher
- ☒ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☐ Exterior Storage
- ☒ Washer/Dryer Hook-ups
- ☒ Central Air
- ☐ Fireplace
- ☒ Ceiling Fan
- ☒ Carpet/Hardwood
- ☐ Balcony/Patio/Porch
- ☒ Window Coverings

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Electric	Tenant
Heat:	Electric	Tenant
Water Heat:	Electric	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Landlord
Trash:	N/A	Landlord

- ☒ Security
- ☐ Secured Parking
- ☐ Perimeter
- ☐ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting
- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Swimming Pool
- ☐ Jacuzzi
- ☐ Exercise Room
- ☐ Picnic Area (Grills)
- ☐ Tennis Courts
- ☐ Basketball Courts
- ☐ Playground
- ☒ Central Laundry

Comparable Property #1 Cont.

Summerdale Apartments

Unit Type	No. Of Units	No. Vacant	Size	Market Rent	60% AMI
1BR/1BA	8	0	650	\$620	\$570
2BR/1.5BA	100	0	1080	\$740	\$650
2BR/2BA	36	6	825	\$730	\$680
2BR/2BA	52	0	950	\$730	\$680
3BR/2BA	48	2	1065	\$830	\$760
Total	244	8			

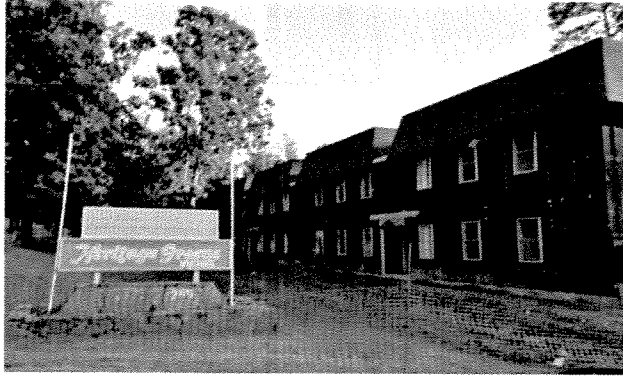
Summerdale Apartments is a family LIHTC property and is located 1.4 miles east of the Subject site. The property was built in two phases. Phase I was built in 1965 and Phase II was built in 1999. There are one, two, and three-bedroom units and they all rent at the 60 percent AMI levels, as well as market rents. Phase I consists of 108 units and is currently 96 percent occupied. Phase II consists of 136 units and is currently 97 percent occupied. Combining the two phases, seven out of the eight units are pre-leased, making the entire complex 99 percent leased and 97 percent occupied. Management reported that Phase II experienced an absorption rate of 11.3 units per month after construction was completed in 1999. Management was uncertain of the month that construction was completed.

Rental rate increases were based on an individual basis, with some units experiencing a \$15 rental rate increase and others staying the same. Management reported turnover rate at six units per month, or an estimated 29.5 percent annual turnover rate. Currently, a moderate sized waiting list is being maintained for all unit types. Management reported the lease-up pace of five days. Currently no concessions are being offered. Management reported the one and three-bedroom units as being the most popular units. The tenants at this property are a mix of age groups, and most of them relocate from within the neighborhood. Approximately five percent of the residents are older persons, aged 55 years and older.

Comparable Property #2

Name: Heritage Greene Apartments
Address: 2891 Springdale Road, SW
 Atlanta, GA
Phone: 404-768-1158
Miles to Subject: 0.6

Year Built: 1973/2003
Type: Garden
Program: LIHTC
Occupancy: 41%
No. of Units: 109



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☒ Dishwasher
- ☒ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☒ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings

- ☐ Exterior Storage
- ☒ Central Air
- ☒ Ceiling Fan
- ☒ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Electric	Tenant
Heat:	Electric	Tenant
Water Heat:	Electric	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Tenant
Trash:	N/A	Landlord

Security Features

- ☒ Security Patrol
- ☐ Secured Parking
- ☐ Perimeter Fencing
- ☐ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☒ Exercise Room
- ☐ Basketball Courts
- ☐ Swimming Pool
- ☒ Picnic Area (Grills)
- ☒ Playground
- ☐ Jacuzzi
- ☐ Tennis Courts
- ☒ Central Laundry

Comparable Property #2 Cont.

Heritage Greene Apartments

Unit Type	No. Of Units	No. Vacant	Size	Market			
				Rents	30% AMI	50% AMI	60%AMI
Studio	4	2	N/Av	\$436	\$272	\$436	\$450
1BR/1BA	56	35	N/Av	\$497	\$276	\$497	\$514
2BR/1BA	41	22	N/Av	\$592	\$318	\$592	\$608
3BR/2BA	8	5	N/Av	\$677	\$356	\$677	\$693
Total	109	64					

Heritage Greene Apartments is a LIHTC property. The property was built in 1973 and is currently undergoing rehabilitation, which is expected to be completed in September 2003. New management has also taken over the property, which is located 0.6 miles south of the Subject site. The property has studio, one, two and three-bedroom units and they rent at the 30, 50, and 60 percent AMI levels as well as market rents. The occupancy rate has dropped considerably due to the rehabilitation program, with most residences being relocated to different areas. 32 of the 64 vacant units are being renovated, however, no new leases have been issued on the units that have been completed as of yet. Occupancy then equates to 71 percent. Management did not know the number of residences who were elderly.

Currently, no waiting list is being maintained. Management is not sure about the size of the units as floor plans are being altered.

Comparable Property #3

Name: Woods at Glenrose
Address: 50 Mount Zion Road, SW
Atlanta, GA
Phone: 404-361-6175
Miles to Subject: 2.1

Year Built: 1966
Type: Garden
Program: LIHTC
Occupancy: 95%
No. of Units: 142



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☐ Dishwasher
- ☒ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☒ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings
- ☐ Exterior Storage
- ☒ Central Air
- ☐ Ceiling Fan
- ☒ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Electric	Tenant
Heat:	Electric	Tenant
Water Heat:	Electric	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Landlord
Trash:	N/A	Landlord

Security Features

- ☐ Security Patrol
- ☒ Perimeter Fencing
- ☐ Intercom
- ☐ Secured Parking
- ☐ Intrusion Alarm
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Garage
- ☐ Carport

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Exercise Room
- ☐ Basketball Courts
- ☐ Swimming Pool
- ☐ Picnic Area (Grills)
- ☒ Playground
- ☐ Jacuzzi
- ☐ Tennis Courts
- ☒ Central Laundry

Comparable Property #3 Cont.

Woods at Glenrose

Unit Type	No. Of Units	No. Vacant	Size	60% AMI
1BR/1BA	30	1	900	\$535
2BR/1BA	52	6	1036	\$625
2BR/1.5BA	60	0	1105	\$650
Total	142	7		

Woods at Glenrose is a LIHTC property that operates at 60 percent of the AMI. It is located 2.1 miles southeast of the Subject site. The occupancy rate has remained stable at 95 percent throughout the past year. Currently, there are three households on the waiting list for the 2BR/1.5BA units and one household awaiting the 2BR/1BA units. Vacancy rates have been constant according to the property manager. Currently, no concessions are being offered. Rental rates have remained constant in the past year. The lease-up pace is seven days. The turnover rate is estimated at one unit per month, or approximately 8.5 percent per annum. Management reported that the market was soft, and it was difficult to rent units, with other communities offering heavy concessions in order to get their units rented. Management reported that approximately one percent of their residents were elderly.

Comparable Property #4

Name: Sylvan Circle Apartments
Address: 1950 Sylvan Road, SW
Atlanta, GA
Phone: 404-755-7134
Miles to Subject: 1.3

Year Built: 1950
Type: Garden
Program: LIHTC/Market
Occupancy: 99%
No. of Units: 296



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☐ Dishwasher
- ☒ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☐ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings
- ☐ Exterior Storage
- ☒ Central Air
- ☒ Ceiling Fan
- ☐ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Gas	Tenant
Heat:	Gas	Tenant
Water Heat:	Gas	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Tenant
Trash:	N/A	Landlord

Security Features

- ☒ Security Patrol
- ☐ Secured Parking
- ☐ Perimeter Fencing
- ☐ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Swimming Pool
- ☐ Jacuzzi
- ☐ Exercise Room
- ☐ Picnic Area (Grills)
- ☐ Tennis Courts
- ☐ Basketball Courts
- ☐ Playground
- ☐ Central Laundry

Comparable Property #4 Cont.

Sylvan Circle Apartments

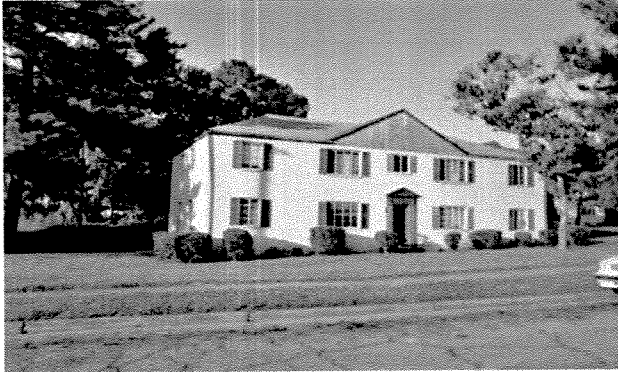
Unit Type	No. Of Units	No. Vacant	Size	Market Rent	60%AMI
Studio	97	1	550	\$395	\$395
1BR/1BA	199	1	625	\$435	\$435
Total	296	2			

Sylvan Circle Apartments is a family LIHTC as well as market rate property, with 196 units designated for tax credit units and 100 units designated for market rents. The property consists of studio and one-bedroom units. It was built in 1950. The property is located 1.3 miles north of the Subject site. The occupancy rate is currently 98 percent. Management reported that the occupancy rate has increased slightly. Currently, there is a moderate sized waiting list being maintained for all unit types. Concessions being offered are in the form of no security deposit on all application forms. Turnover rate is estimated at 5 units per month, or approximately 20.3 percent per annum. The lease up pace is estimated at five days. Rental rates have increased by \$10 across the board in the past year, equating to a 2.6 percent rental rate increase for the studio units and a 2.4 rental rate increase for the one-bedroom units. Vacancy rates have also increased over the past year. Management reported that they are usually at 100 percent occupancy. Reportedly, one-bedroom units are the most popular units in the complex. Tenants are from Decatur, East Point and surrounding neighborhoods. Management stated that the market was soft, and that some apartments are running concessions as deep as \$99 move-in specials. Management was not certain how many older persons lived in the community, but did state they had a mixture of all age groups.

Comparable Property #5

Name: South Towne Apartments
Address: 827 Fredell Circle
Atlanta, GA
Phone: 404-761-7317
Miles to Subject: 0.5

Year Built: 1963
Type: Garden
Program: Market
Occupancy: 70%
No. of Units: 148



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☐ Dishwasher
- ☐ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☐ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings
- ☐ Exterior Storage
- ☒ Central Air
- ☒ Ceiling Fan
- ☐ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Gas	Tenant
Heat:	Gas	Tenant
Water Heat:	Gas	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Landlord
Trash:	N/A	Landlord

Security Features

- ☐ Security Patrol
- ☐ Secured Parking
- ☐ Perimeter Fencing
- ☐ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Exercise Room
- ☐ Basketball Courts
- ☐ Swimming Pool
- ☐ Picnic Area (Grills)
- ☒ Playground
- ☐ Jacuzzi
- ☐ Tennis Courts
- ☒ Central Laundry

Comparable Property #5 Cont.

South Towne Apartments

Unit Type	No. Of Units	No. Vacant	Size	Market Rate
1BR/1BA*	10	4	850	\$464
2BR/1.5BA*	138	40	850	\$510
<hr/>				
Total	148	44		

*Illustrates conceded rents

South Towne Apartments is a family market rate property. It is located 0.5 miles south of the Subject. The property has one, and two-bedroom units. The one and two-bedroom units have the same square footage, the units are identical, except the one-bedroom units have wall that has been taken down in the living room area, making the living room much bigger than the two-bedroom units. The occupancy is currently 70 percent. New management has just taken over the apartment complex and they are in the process of restructuring the tenants. Since April they have averaged four to eight move-ins per month and should be at around 95 percent in the fall. Currently, concessions in the form of a \$69 rental rate for the first months rent on a 12-month lease for both one and two-bedroom unit types are being offered. It should be noted that the rents in the table are conceded rents. One-bedroom units usually lease for \$500 per month, while two-bedroom units lease for \$550 per month. Turnover rate is estimated at five units per month, equating to an annual turnover rate of approximately 40.5 percent. No waiting list is being maintained for any of the units. The lease-up pace is three to four days. Most tenants are families and they come from the surrounding neighborhood. Management reported that occupancy with some of the apartments is starting to increase, however the market is still soft.

Comparable Property #6

Name: Manor IV
Address: 2604 Old Hapeville Road, SW
Atlanta, GA
Phone: 404-761-3290
Miles to Subject: 1.6

Year Built: 1975/2003
Type: Town Homes
Program: Market
Occupancy: 85%
No. of Units: 80



Appliances

- ☒ Refrigerator
- ☒ Oven
- ☒ Dishwasher
- ☐ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☐ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings
- ☐ Exterior Storage
- ☒ Central Air
- ☐ Ceiling Fan
- ☒ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Gas	Tenant
Heat:	Gas	Tenant
Water Heat:	Gas	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Tenant
Trash:	N/A	Landlord

Security Features

- ☒ Security Patrol
- ☐ Secured Parking
- ☒ Perimeter Fencing
- ☒ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Swimming Pool
- ☐ Jacuzzi
- ☐ Exercise Room
- ☐ Picnic Area (Grills)
- ☐ Tennis Courts
- ☐ Basketball Courts
- ☐ Playground
- ☒ Central Laundry

Comparable Property #6 Cont.

Manor IV

Unit Type	No. Of Units	No. Vacant	Size	Market Rent	60% AMI
1BR/1BA	24	N/Av	703	\$535	
2BR/1BA	56	N/Av	995	\$675	
Total	80	12			

Manor IV Townhomes is a family market rate property. The property was built in 1975 and is currently undergoing renovations. The property is located 1.6 miles to the east of the Subject site. The occupancy rate is 85 percent and management stated that the vacancy rates fluctuates throughout the year, however, each unit that becomes vacant undergoes renovations. Management was unable to comment on the turnover rate. No concessions are being offered at this time. No waiting list is being maintained for all unit types. Management was unable to comment on rental increases or decreases in past year because the new management took over in January, 2003. The one-bedroom units were reported as the most popular units. The tenant composition is mixed and tenants generally come from the surrounding neighborhoods. Management stated that the market is soft only in some areas, stating that upscale apartments are offering deep concessions to attract residents.

Comparable Property #7

Name: Brighton Court Apartments
Address: 2950 Springdale Road, SW
Atlanta, GA
Phone: 404-763-1261
Miles to Subject: 0.6

Year Built: 1973
Type: Garden
Program: Market
Occupancy: 86%
No. of Units: 100

NO PHOTO AVAILABLE

Appliances

- ☒ Refrigerator
- ☒ Oven
- ☒ Dishwasher
- ☐ Disposal
- ☐ Microwave

In - Unit Amenities

- ☐ Washer/Dryer In Unit
- ☐ Washer/Dryer Hook-ups
- ☐ Fireplace
- ☒ Carpet/Hardwood
- ☒ Window Coverings
- ☐ Exterior Storage
- ☒ Central Air
- ☐ Ceiling Fan
- ☐ Balcony/Patio/Porch

Utilities

	<u>Type:</u>	<u>Paid By:</u>
Cooking:	Electric	Tenant
Heat:	Gas	Tenant
Water Heat:	Gas	Tenant
Electric:	N/A	Tenant
Water/Sewer:	N/A	Tenant
Trash:	N/A	Landlord

Security Features

- ☒ Security Patrol
- ☐ Secured Parking
- ☐ Perimeter Fencing
- ☒ Intrusion Alarm
- ☐ Intercom
- ☐ Security Lighting

Parking

- ☒ Surface
- ☐ Carport
- ☐ Garage

Common Area Amenities

- ☐ Clubhouse/Com. Room
- ☐ Exercise Room
- ☐ Basketball Courts
- ☐ Swimming Pool
- ☐ Picnic Area (Grills)
- ☒ Playground
- ☐ Jacuzzi
- ☐ Tennis Courts
- ☒ Central Laundry

Comparable Property #7 Cont.

Brighton Court Apartments

Unit Type	No. Of Units	No. Vacant	Size	Market Rent	60% AMI
1BR/1BA*	N/Av	N/Av	750	\$503	
2BR/1.5BA*	N/Av	N/Av	1350	\$578	
2BR/1.5BA*	N/Av	N/Av	1350	\$613	
Total	100	14			

*Illustrates conceded rents

Brighton Court Apartments is a market rate property. The property was built in 1973. It is located 0.6 miles south of the Subject site. There are one and two-bedroom units. There has been no rental increase in the past year. The lease-up pace is seven days. Currently, concessions being offered are \$199 first month's rent for all the units. The normal rental rates are \$520, \$595 and \$630 for one, two and three-bedroom units respectively. Currently, no waiting list is being maintained. Management reported that people are afraid to move because of the uncertainties in the market. Most vacancies have been attributed to evictions, as most of their tenants worked at the Hartsville International Airport and have since lost their jobs.

H. PROPERTY INTERVIEWS

PROPERTY INTERVIEWS

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. The following text is a summary of the property descriptions, which describe vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available. It should be noted that all of the properties included in our survey are family oriented. There were no senior oriented non-subsidized properties or LIHTC properties with bedroom types or AMI levels located near the Subject. Therefore, direct comparisons were made primarily to family oriented properties. However, we conducted an interview of Lakewood Christian Manor, a senior oriented Section 8 property for elderly households 62 and older, to discuss the current condition of senior housing within the market. The results of those conversations will be discussed where applicable.

Age and Condition

The Subject's market area has been developed over a long period. All of the properties included in our survey are of primary older vintage. While these properties range from security lightly inferior to inferior compared to the Subject, we included these properties as an indication of current market conditions (rent levels, vacancies, amenities, etc.) given their location in relation to the Subject. As renovated property, the Subject would be superior to the condition of older properties within the PMA.

Unit Mix

The following table shows the unit mix of the properties in our survey. As illustrated in the matrices comparable rental properties offered one-bedroom units.

UNIT MIX				
Unit type	Market Unit Mix		Subject Unit Mix	
	Number	Percentage	Number	Percentage
Efficiency	101	10.76%	N/Av	N/Av
1BR	303	32.27%	240	100.00%
2BR	479	51.01%	N/Av	N/Av
3BR	56	5.96%	N/Av	N/Av
Total	939	100.00%	240	100.00%

*This figure represents properties that reported unit breakdown

Based on our survey of the market, two-bedroom units possess the greatest market share with nearly 51 percent followed by one-bedroom units. Not all of the surveyed properties were able to provide exact unit mix. Therefore, some bedroom types have been understated. Although the market consists predominately of two-bedroom units, senior two-person households are expected to occupy both one-bedroom units as well as two-bedroom units particularly in cases where additional space is required for the storage of life possessions. In general, the Subject supplements the one-bedroom unit type which is underrepresented in the market.

VACANCY BY UNIT TYPE			
Unit Type	Total Units Reporting	Vacant units	Vacancy by Unit Type
Efficiency	101	3	2.97%
1BR	303	41	13.53%
2BR	479	74	15.45%
3BR	56	7	12.50%
Total	939	125	13.31%

*This figure represents properties that reported unit breakdown

The table above illustrates a vacancy rate of approximately 13 percent vacancy which is generally considered to be a soft market. However, two of the surveyed properties, Heritage Green and Manor IV Apartments, are in the process of renovations. As a result, leasing has been temporarily suspended until renovations have been completed. Also, South Towne Apartments has recently changed management companies. Therefore, high vacancies are reportedly the result of restructuring (evictions) the tenancy. Excluding these properties concludes to an overall occupancy rates of 96 percent for the remaining developments. However, renovations and management changes are also signs of a soft market.

We surveyed another senior oriented facility, Lakewood Christian Manor, regarding operating conditions for seniors. Columbia High Point is a Section 8 and Section 236 property constructed that reported 100 percent of its units occupied with a six to eight month waiting list. It should be noted that this property plans to decouple Section 236 units and undergo renovation using tax credits. In general, the high occupancy level and the presence of a long waiting list is considered to be a positive indicator for the strength of the senior affordable housing rental market in the Subject neighborhood.

Unit Size

The Subject will consist of a combination of one-bedroom units. We attempted to compare the Subject to similar unit types. The table below depicts the square footage of the Subject and comparable properties in the market. It should be noted that the average, minimum and maximum unit sizes are available only for those properties that would provide this information.

COMPARISON OF SUBJECT UNIT SIZE TO MARKET UNIT SIZE (IN SQUARE FEET)				
Unit type	Subject	Competing Properties		
		Average	Minimum	Maximum
1BR/1BA	546	746	625	900

The Subject's one-bedroom units are below the average unit sizes reported by surveyed properties in the market. It should be noted that the square footages illustrates are from family oriented properties. Generally, senior apartments are somewhat smaller than conventional apartments. Although the unit sizes for the Subject are below the range, the difference in unit size does not appear to be substantial given the Subject's senior orientation. Given that the Subject is currently 100 percent occupied with a two month waiting list suggests market acceptability. Additional support is provided by Lakewood Christian Manor that offers one-bedroom units that are 550 square feet. Similar to the Subject, this property is 100 percent occupied with a long waiting list. Therefore, the smaller unit size offered by the Subject is not expected to provide a significant disadvantage to the Subject.

Total Number of Baths per Unit

All of the surveyed one-bedroom units in the marketplace offer one bathroom. The Subject offers a similar number of bathrooms within the one-bedroom unit types. Thus, the Subject reflects what is currently found in the market with regards to the number of baths per unit.

Unit Amenities

In order to provide quality housing at an affordable cost, many LIHTC properties cannot offer an extensive amenity package. However, Subject amenities must be similar to or better than those in the market, to allow the Subject to compete. The Subject will offer mini-blinds, carpeting, garbage disposal, refrigerator, stove, dishwasher, central air conditioning and visual and audio alarm system. All of the units at the Subject will feature patios or balconies. Summerdale, Heritage Greene and Woods at Glenrose Apartments offer in-unit washer/dryer hook-ups. Additionally, four of the seven properties offer ceiling fans. In general, the Subject will be security lightly inferior with regard to in-unit amenities.

Common Area Amenities

We attempted to compare the Subject property to other competing LIHTC properties. The Subject includes leasing and management areas, community room/building, a gathering area located on each floor, equipped recreation area, equipped play-court, central laundry facility, barbecue/picnic area, covered gazebo with seating, fenced garden areas with walking trails. Additionally, the Subject will offer elevators which typically appeal to senior residents, a call system including a buzzer and security light to the exterior as well as perimeter fencing. None of the properties surveyed offer all of these amenities. Therefore, we believe that the common area amenities offered by the Subject are superior to properties included in our survey particularly when considering senior residents.

Security Features

Security will often vary based on the needs of the particular area and size of the particular project. Most of the properties surveyed offered some form of security features or perimeter fencing. The Subject offers perimeter fencing, a call system including a buzzer and in-unit alarm systems. Therefore, the Subject will offer a security lightly superior security features to those offered by competing properties within the market.

Utility Structure

The Subject will include all utility expenses in rental rates. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. The comparable properties' asking rents are illustrated in the matrices as well as rents adjusted to the Subject's utility convention. Adjustments are made using Section 8 Utility Allowances from the Fulton County Housing Authority.

Tenant Makeup

Local property managers report a generally mixed tenancy including single mothers, students, couples and seniors. Most of the tenants originate from throughout the Atlanta area. Tenancy at the Subject will consist of low to very low-income tenants. We assume many of the current tenants will remain. Household sizes will range between one and two persons. The Subject will cater to senior households ages 55 and older with incomes from \$12,000 (based on affordability for a single person household) to \$17,100 (two-person household at 50 percent of AMI). Most of the tenants will be local, coming from within the primary market area. To some extent, some tenants will be “moving up” from less desirable housing or more expensive market rate alternatives. Tenants will be attracted by better, newer, and more affordable product.

Concessions

Occasional concessions such as rental discounts are consistent with ongoing marketing strategies during periods of increased tenant turnover.

CONCESSIONS		
Property	Property Type	Concession offered
Summerdale Apartments	LIHTC	None
Heritage Greene Apartments	LIHTC	None
Woods at Glenrose	LIHTC	None
Sylvan Circle Apartments	LIHTC/Market	None
South Towne Apartments	Market	\$199 off the first month rent for a 12 month lease
Manor IV	Market	None
Brighton Court Apartments	Market	\$199 off the first month rent for a 12 month lease

*Still in the process of initial leasing

Two of the seven surveyed properties reported offering concessions. South Towne Apartments is under new management. The property manager reported higher than normal vacancies as the result of restructuring the tenant base. Brighton Court Apartments are reported offering concessions to offset the recent increase in vacancies as a result of evictions. Both reported that the rental market within the immediate neighborhood is relatively soft. Therefore, concessions may be the result marketing strategies utilized by these properties to remain stabilized. As stated, the Subject is currently 100 percent occupied with a two month waiting list as a Section 8 property.

Therefore, the majority of these households are expected to be income eligible to reside at the Subject after renovation. Also, the high number of persons on the waiting list both at the Fulton County Housing Authority and the City of Atlanta Housing Authority is expected to provide a continued source of demand for the Subject. In general, the Subject is not expected to offer concessions.

Waiting Lists

In markets with high housing costs and a limited supply of affordable housing, waiting lists are common at LIHTC properties. The table below illustrates waiting lists in the market.

WAITING LIST		
Property	Property Type	Length
Summerdale Apartments	LIHTC	Yes, Moderate sized
Heritage Greene Apartments	LIHTC	None
Woods at Glenrose	LIHTC	Three households 2BR/1.5BA One household awaiting 2BR/1BA
Sylvan Circle Apartments	LIHTC/Market	Yes, Moderate sized
South Towne Apartments	Market	None
Manor IV	Market	None
Brighton Court Apartments	Market	None

Three of the surveyed properties reported maintaining a waiting list. Currently, the Subject reported maintaining a two month waiting list. Also, Lakewood Christian Manor reported a six to eight month waiting list. We expect the property manager at the Subject to continue maintaining a waiting list after renovation. This will assist the property in continually leasing available units quickly and efficiently.

Historical Rent Increases

One way to determine if the apartment market is healthy is to look to the historical rent increases, or lack of them. If rents are stable or increasing in the area, the market may be in a state of expansion. Conversely, if the market begins to offer concessions, the market may be declining. As mentioned, there are no concessions currently being offered in the market. The table below illustrates reported changes in rents in the market.

RENT INCREASE		
Property	Property Type	Increase in Last Year
Summerdale Apartments	LIHTC	\$15 increase on specific units
Heritage Greene Apartments	LIHTC	None
Woods at Glenrose	LIHTC	None
Sylvan Circle Apartments	LIHTC/Market	\$10 or a 2.6 percent for studio units and a 2.4 percent for 1BR.
South Towne Apartments	Market	None
Manor IV	Market	None
Brighton Court Apartments	Market	None

Only two of the surveyed properties reported minimal rental increases over the past year. This may be the result of the relatively high vacancies within the market.

Affect of Subject on Other Affordable Units in Market

Capture rates for the Subject reflect that adequate demand exists within the primary market area. It should be noted that in our demand analysis, we estimate capture based on existing demand, presumably those living at comparable or local market properties. However, we only consider those who are paying over 35 percent of the gross income in housing costs. Nevertheless, the properties included in our survey suggest a soft multifamily market within the immediate neighborhood of the Subject. However, the properties included in our survey are all family oriented developments. The Subject is not expected to compete for overall low-income households within the PMA but rather appeal to the senior population that has a preference for residing in an adult community. Therefore, the Subject is not expected to have a negative impact on the existing LIHTC community.

Vacancy

The table below summarizes the occupancy by property in our survey:

COMPARABLE PROPERTY OCCUPANCY				
Comp Name	Property Type	Number of Units	Vacant Units	Occupancy Rate
Summerdale Apartments	LIHTC	244	8	97%
Heritage Greene Apartments*	LIHTC	109	64	41%
Woods at Glenrose	LIHTC	142	7	95%
Sylvan Circle Apartments	LIHTC/Market	296	2	99%
South Towne Apartments	Market	148	44	70%
Manor IV*	Market	80	12	85%
Brighton Court Apartments	Market	100	14	86%
Totals/Average Occupancy		1,119	151	82%

*In the process of renovations

Vacancy rates indicate a relatively soft market. Vacancies reported by the property manager at Heritage Green Apartments and Manor IV Apartments are reportedly the result of recent renovations. Also, South Towne Apartments has recently changed management companies. Therefore, high vacancies are reportedly the result of restructuring tenants. Excluding these properties concludes to an overall occupancy rates of 96 percent for the remaining developments. However, renovations and evictions are also signs of a soft market.

As stated, Lakewood Christian Manor is a senior restricted Section 8 property that reported 100 percent of its units occupied with a six to eight month waiting list. It should be noted that the Subject will target senior very low-income households. Therefore, the Subject is next expected compete for the same tenancy as family oriented properties within area.

Reasonability of Rents

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. The Subject will include all expenses in rental rates. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using Section 8 Utility Allowances for Fulton County. The rent analysis is based on net rents at the Subject as well as surveyed properties. The table below illustrates the net and gross rents at the Subject, as well as the maximum allowable rents. DCA requires that LIHTC properties are at or below DCA's Maximum Allowable Rent per the Rent and Income Guidelines.

PBRA UNITS					
Unit Type	# of Units	Net Rents*	Estimated Utility Cost	Gross Rent	Fair Market Rents
1BR/1BA	18	BOI	\$0	\$400	\$795
1BR/1BA	214	BOI	\$0	\$500	\$795
Total	232				

LIHTC UNITS AT 30 PERCENT OF AMI					
Unit Type	# of Units	Net Rents	Estimated Utility Cost	Gross Rent	Maximum Allowable Rent Per DCA
1BR/1BA	8	\$400	\$0	\$400	\$400
Total/Average	8				

The most competitive LIHTC property, Heritage Square, is compared to the Subject in the following table. The Subject's proposed rent levels are below the DCA guidelines. We believe that the Subject offers competitive location, quality and amenities compared to surveyed LIHTC properties. The location is within a neighborhood that is close to local services and major arteries.

NET RENT COMPARISON: LIHTC RENTS AT 60%		
Unit Type	Subject LIHTC 30%/Market	Heritage Green Apartments LIHTC 30%/Market
1BR/1BA	\$400	\$348

The proposed rents for the Subject are above those currently proposed by Heritage Green Apartments. As stated, Heritage Green Apartments is currently in the process of interior and exterior renovations. While the property manager reported that rents are expected to increase after the completion of renovations, we were unable to obtain the post-renovated rents. Given that the Subject benefits from a competitive location, common area amenities that typically appeal to seniors and will undergo renovations that will include interior, exterior and in-unit upgrades, we believe that the proposed rents at the Subject is considered reasonable.

The overall average and the maximum and minimum adjusted rents for market-rate properties in surveyed are illustrated in the table below in comparison with Net rents for the Subject.

Unit Type	Subject LIHTC 30%/Market	Comparable Properties Average	Comparable Properties Minimum	Comparable Properties Maximum
1BR	\$400	\$574	\$527	\$638

When compared to the overall market, rents proposed at the Subject are well below the range reported by surveyed market rate properties. Given that the Subject will be renovated, the proposed rents at the Subject are considered reasonable.

Absorption

We were unable to obtain a recent indication of market absorption. The Subject is currently 100 percent occupied with a two month waiting list as a project based Section 8 property. While we have not been provided with information on the sponsor's intent to maintain the Section 8 contract after renovation, we have assumed that a portion of the current tenancy will be income qualified to reside at the Subject. Furthermore, the long waiting lists reported by the Fulton County Housing Authority and the City of Atlanta Housing Authority are expected to supplement demand at the Subject. As a final point, there are no existing multifamily projects for senior low-income households in the area surrounding the Subject. Therefore, senior residents on fixed monthly incomes have limited housing options. In general, an estimate of 20 units per month or 12 months initial leasing pace is considered reasonable for the Subject if the Subject were completely vacant. However, this is considered to be a conservative estimate given the shortage of available housing for senior very low-income households. We recommended the relocation plan for the existing residents of the Subject be reviewed.

Conclusions

Vacancy rates indicate a relatively soft market. Vacancies reported by the property manager at Heritage Green Apartments and Manor IV Apartments are reportedly the result of recent renovations. Also, South Towne Apartments has recently changed management companies. Therefore, high vacancies are reportedly the result of restructuring tenants. Excluding these properties concludes to an overall occupancy rates of 96 percent for the remaining developments. However, renovations and evictions are also signs of a soft market. It should be noted that the Subject will target senior very low-income households. Therefore, the Subject is next expected compete for the same tenancy as family oriented properties within area.

Two of the seven surveyed properties reported offering concessions. South Towne Apartments is under new management. The property manager reported higher than normal vacancies as the result of restructuring the tenant base. Brighton Court Apartments are reported offering concessions to offset the recent increase in vacancies as a result of evictions. Both reported that the rental market within the immediate neighborhood is relatively soft. Therefore, concessions may be the result marketing strategies utilized by these properties to remain stabilized. As stated, the Subject is currently 100 percent occupied with a two month waiting list as a Section 8 property.

The proposed rents for the Subject are above those currently proposed by Heritage Green Apartments, the only LIHTC property with rents at the 30 percent AMI level. This property is currently in the process of interior and exterior renovations. While the property manager reported that rents are expected to increase after the completion of renovations, we were unable to obtain the post-renovated rents. Given that the Subject benefits from a competitive location, common area amenities that typically appeal to seniors and will undergo renovations that will include interior, exterior and in-unit upgrades, we believe that the proposed rents at the Subject is considered reasonable. Additionally, rents proposed at the Subject are well below the range reported by surveyed market rate properties. Given that the Subject will be renovated, the proposed rents at the Subject are considered reasonable.

Finally, we assume this property will receive PBRA. Without such subsidy the Subject is not a viable project. Without subsidy the available demand and the competitive environment preclude a positive recommendation. However, with subsidy the development scheme is viable.

I. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- We assume this property will receive PBRA. Without such subsidy the Subject is not a viable project. Without subsidy the available demand and the competitive environment preclude a positive recommendation. However, with subsidy the development scheme is viable.
- The Subject property is an existing high-rise, containing 240 one-bedroom units, with two elevators and stairways. The sponsors of the Subject are proposing the acquisition and rehabilitation that will consist of interior and exterior upgrades. Renovation plans indicate that approximately \$4,700,000 (\$19,600 per unit) will be utilized for the acquisition and rehabilitation of the Subject which will consist of interior, exterior and in-unit upgrades. Upon renovation, the Subject is expected to be at the top end of the range compared to the multifamily inventory within the area.
- The Subject is located in an area that is in the process of transition. Several properties located near the Subject are in the process of interior and exterior renovations similar to those proposed by the Subject. As a result, these properties reported higher than typical vacancies. The Subject is an existing Section 8 property for elderly households aged 62 years and older. The Subject appears unaffected by recently increasing vacancies given its current occupancy rate of 100 percent and a two month waiting list. This suggests that the Subject is located within area within Atlanta MSA with limited housing options for senior very-low income households.
- The senior population is expected to increase by 3.17 percent from 2001 to 2006. Further, projections indicate households are expected to increase at an annual rate of 2.83 percent during the same time period. This suggests an aging population that may choose apartment living to reduce home ownership burdens. By the time of market entry, there will be approximately 21,405 persons aged 55 and older in the PMA. The Subject is expected to supplement the one and two-bedroom housing stock that typically appeal to senior oriented residents. The largest income bracket is \$15,000-\$24,000. The Subject is expected to target households with annual incomes ranging from \$0 to \$34,200. Therefore, a large number of households (8,264) are income eligible to reside at the Subject. This should increase the desirability for the Subject given that senior oriented affordable housing options are limited within the PMA.
- Our demand analysis demonstrates that the Subject's capture rates vary from five to 26 percent. These capture rates are below the DCA limit of 30 percent. Overall, demand for the Subject's LIHTC is considered adequate (assuming PBRA). As stated, the Subject is currently 100 percent occupied with a two month waiting list as a project based Section 8 property. While we have not been provided with information on the sponsor's intent to maintain the Section 8 contract after renovation, we have assumed that a portion of the current tenancy will be income qualified to reside at the Subject. Furthermore, the long waiting list lists reported by the Fulton County Housing Authority and the City of Atlanta Housing Authority are expected to supplement demand at the Subject. As a final point, there are no existing multifamily projects for senior low-income households in the area surrounding the Subject. The Subject is expected to supplement this void by providing senior households on fixed monthly incomes an affordable housing option.

- Vacancy rates indicate a relatively soft market. Vacancies reported by the property manager at Heritage Green Apartments and Manor IV Apartments are reportedly the result of recent renovations. Also, South Towne Apartments has recently changed management companies. Therefore, high vacancies are reportedly the result of restructuring tenants. Excluding these properties concludes to an overall occupancy rates of 96 percent for the remaining developments. It should be noted that the Subject will target senior very low-income households. Therefore, the Subject is next expected compete for the same tenancy as family oriented properties within area.
- Two of the seven surveyed properties reported offering concessions. South Towne Apartments is under new management. The property manager reported higher than normal vacancies as the result of restructuring the tenant base. Brighton Court Apartments are reported offering concessions to offset the recent increase in vacancies as a result of evictions. Both reported that the rental market within the immediate neighborhood is relatively soft. Therefore, concessions may be the result marketing strategies utilized by these properties to remain stabilized. As stated, the Subject is currently 100 percent occupied with a two month waiting list as a Section 8 property.
- The proposed rents for the Subject are above those currently proposed by Heritage Green Apartments, the only LIHTC property with rents at the 30 percent AMI level. This property is currently in the process of interior and exterior renovations. While the property manager reported that rents are expected to increase after the completion of renovations, we were unable to obtain the post-renovated rents. Given that the Subject benefits from a competitive location, common area amenities that typically appeal to seniors and will undergo renovations that will include interior, exterior and in-unit upgrades, we believe that the proposed rents at the Subject is considered reasonable. Additionally, rents proposed at the Subject are well below the range reported by surveyed market rate properties. Given that the Subject will be renovated, the proposed rents at the Subject are considered reasonable.

Recommendations

- We have not been provided with a relocation plan for the existing tenancy. Therefore, we recommend that the developers provide a sufficient plan for temporary displacement for current residents given that affordable housing options are limited particularly in the senior market segment.
- The Subject has good visibility from Springdale Drive. However, the Subject has limited visibility from Cleveland Avenue, a major artery from the neighborhood. The sponsors for the Subject may want to consider additional signage along this roadway given that many prospective tenants may be commuting past the Subject on a daily basis.
- Discussions have concluded that advanced knowledge of new affordable housing development within Atlanta would greatly assist initial leasing. Therefore, we recommend that the developers aggressively market the Subject prior to completion.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

H. Blair Kincer, MAI
Principal
Novogradac & Company LLP

Date

K. ANALYST QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Candidate member of the Commercial Investment Real Estate Institute pursuing
the Certified Investment Member (CCIM) designation.
Certified General Real Estate Appraiser - State of Maryland
Certified General Real Estate Appraiser - Commonwealth of Virginia
Certified General Real Estate Appraiser - Commonwealth of Pennsylvania
Certified General Real Estate Appraiser - State of New York
Certified General Real Estate Appraiser - State of Washington
Member Frostburg Housing Authority

III. Professional Experience

Principal, Novogradac & Company, LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer / Work-Out Specialist, First Federal Savings Bank of Western Maryland
Manager, Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended Various IPED and Novogradac conferences regarding the affordable housing industry.
CCIREI - Course CI 101 Financial Analysis for Commercial Real Estate
Appraisal Institute - Real Estate Appraisal Principles
Appraisal Institute - Basic Valuation Procedures
Appraisal Institute - Capitalization Theory and Techniques Part A and B
Appraisal Institute - Case Studies in Real Estate Valuation
Appraisal Institute - Standards and Professional Practice
Appraisal Institute - Valuation Analysis and Report Writing
BAI Seminars - Loan Review, Advanced Loan Review, Commercial Loan Work - Out National
Institute of Trial Lawyers Appraisal Institute- Expert Witness Testimony
Ernst & Young, LLP- - Capital Markets and Financing

V. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope with a concentration on the east coast.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.
- In accordance with HUD Notice H 00-12, Mr. Kincer has completed numerous rent comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Member of the due diligence team hired by Insignia/ESG to assist in the determination of underlying asset value and marketability of a large retail portfolio of regional malls. Assignment included review of leases, lease abstracting, and cash flow modeling. Prepared due diligence package that included lease abstracts, market analysis and projected operations with explanatory comments.
- Assisted a developer on three projects located in Maryland through all stages of the development process. This assistance included market analysis, contract negotiation, third party report supervision and preparation of financing packages. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, and development programming. Support for contract negotiations involved cash flow projections and valuation analyses. Third party report supervision entailed the marshaling and review of the appropriate third party reports including market studies, environmental and engineering reports and appraisals. Preparation of financing packages included the compilation of development budgets and cash flow projections. Completed financing submissions including; Tax Exempt Bond Applications, Credit Enhancement Applications, Construction Loan Applications, and alternative financing applications.
- Completed a market study for an affordable housing developer on Clifton Terrace Apartments in Washington, DC. Clifton Terrace is a former HUD financed property currently owned by the Federal Government. The market study was used in a response to a request for redevelopment proposals. Our research included neighborhood analysis, competitive supply evaluation and demand projections. Demand by family size was further analyzed using PUMS detailed census analysis. This analysis formed the basis for the proposed unit mix in the response.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

GIL WASHINGTON

I. Education

George Washington University
Bachelor of Arts in Business Administration

II. Licensing and Professional Affiliation

Associate Member - Appraisal Institute

III. Professional Experience

Real Estate Analyst, Novogradac & Company, LLP
Foundation Financial Mortgage Services
Consumer Finance Manager, Intercontinental Trade Associates

IV. Professional Training

Attended several internal Novogradac & Company seminars in affordable housing development as well as the following seminars

Prince George's Community College
Real Estate Financing and Mortgage Banking

V. Professional Accomplishments

Chair of management team responsible for recruiting and training nationwide Field Representatives.

Managed Customer Service/Processing Department staffed by 10 representatives and 2 supervisors.

Understanding and familiarity with Army policy and procedures particularly as it relates to housing issues.

VI. Real Estate Assignments

A representative sample of Consulting and Market Research Engagements includes:

- Conducted rent comparability studies in Virginia, Maryland, North Carolina, South Carolina, Kentucky, Georgia and the District of Columbia for expiring Section 8 contracts per the Multifamily Assisted Housing Reform and Affordability Act of 1997, Title V of the HUD Fiscal Year 1998 Appropriations Act. The engagements were conducted in accordance with HUD Notice H 98-34 and included site visits, interviewing and inspecting potentially comparable properties, and the analysis of collected data including adjustments to comparable data to determine appropriate adjusted market rent using HUD form 92273.

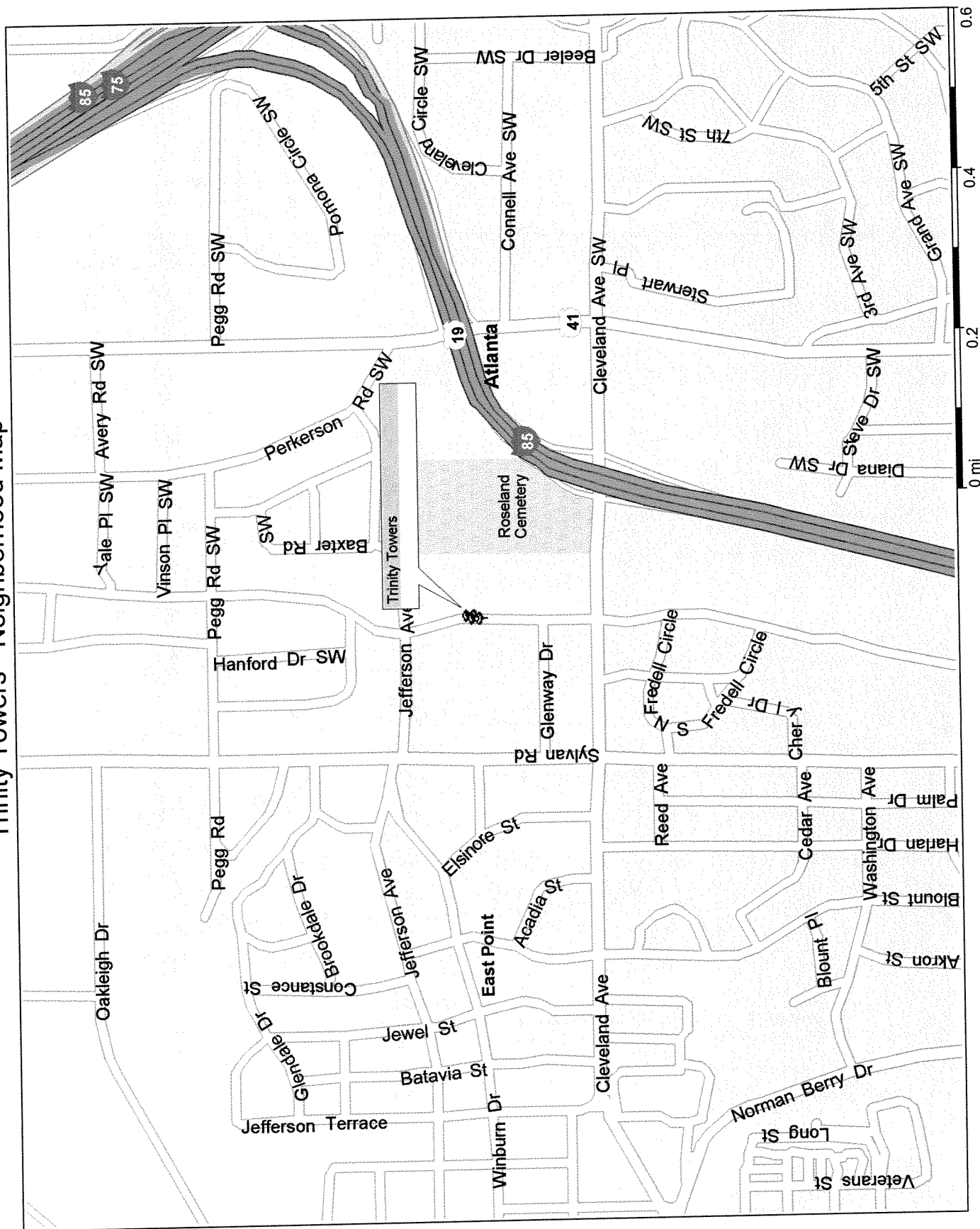
- Conducted market studies of proposed Low Income Housing Tax Credit properties for the National Development Council and Opportunity Builders. The subjects included new construction located in rural regions of Colorado. Market analysis included; preliminary property screenings, market analysis, comparable rent surveys, and demand analysis. Studies were required to adhere to the requirements of the Colorado Housing Finance Agency "CHFA" for submission of LIHTC applications to CHFA.
- Prepared market studies of proposed new construction Low Income Housing Tax Credit properties for Columbia Housing/PNC Real Estate Finance. The subjects were new construction family properties in the Orlando MSA. Market analysis included; preliminary property screenings, market analysis, comparable rent surveys, and demand analysis. Studies were required to adhere to the requirements of the Florida Housing Finance Corporation "FHFC" for submission of LIHTC applications to FHFC.
- Performed a market study of a Low Income Housing Tax Credit property for Regency Development. The subject was an acquisition and rehabilitation project in the Alexandria, VA. Market analysis included; preliminary property screenings, market analysis, comparable rent surveys, and demand analysis. Studies were required to adhere to the requirements of the Virginia Housing Development Authority "VHDA" for submission of LIHTC applications to VHDA.
- Provided a market study for an affordable housing in a response to request for redevelopment proposals in Suitland, Maryland for Structures Unlimited. Research included neighborhood analysis, competitive supply evaluation and demand projections. Demand by family size was further analyzed using detailed census analysis.

A representative sample of the Due Diligence and Valuation Engagements includes the following:

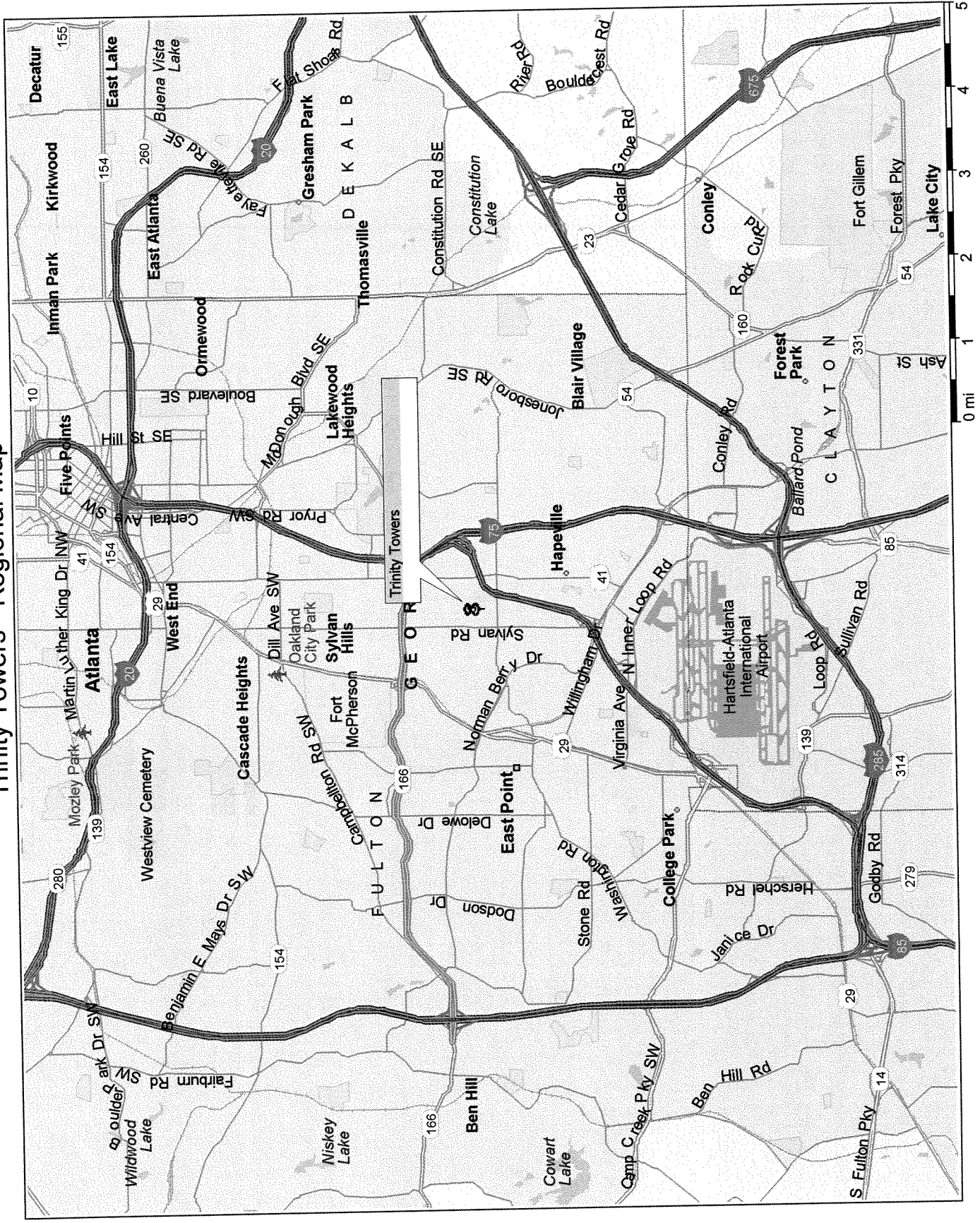
- Assisted in the appraisal of a portfolio of loans of residential, retail, office, land and multifamily properties with both performing and non-performing loans for METEC Asset Management, LC. The METEC Asset Management LC and their advisors utilized our analysis for evaluation of potential financing and disposition options.
- Assisted in the appraisal of vacant multifamily land for First Centrum. The subject was an acquisition for new construction of senior housing in Annapolis, MD.
- Assisted in the appraisal of an industrial warehouse for National Child Day Care Association. The subject was an acquisition in Washington, DC.
- Assisted in the appraisal of a multifamily hi-rise building for HMJ Management. The subject was an acquisition for redevelopment for Section 8 housing in Baltimore, MD.

ADDENDA

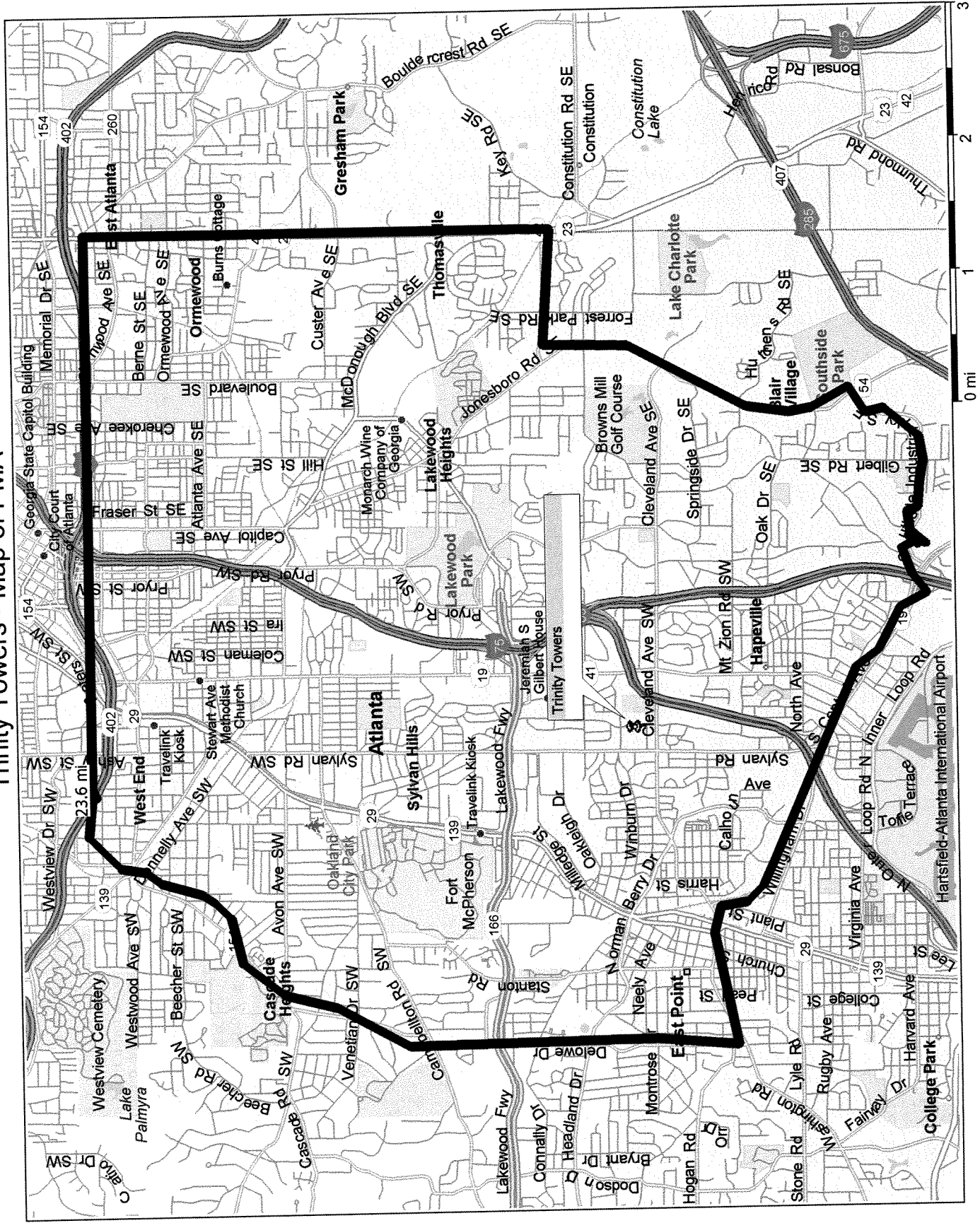
Trinity Towers - Neighborhood Map



Trinity Towers - Regional Map

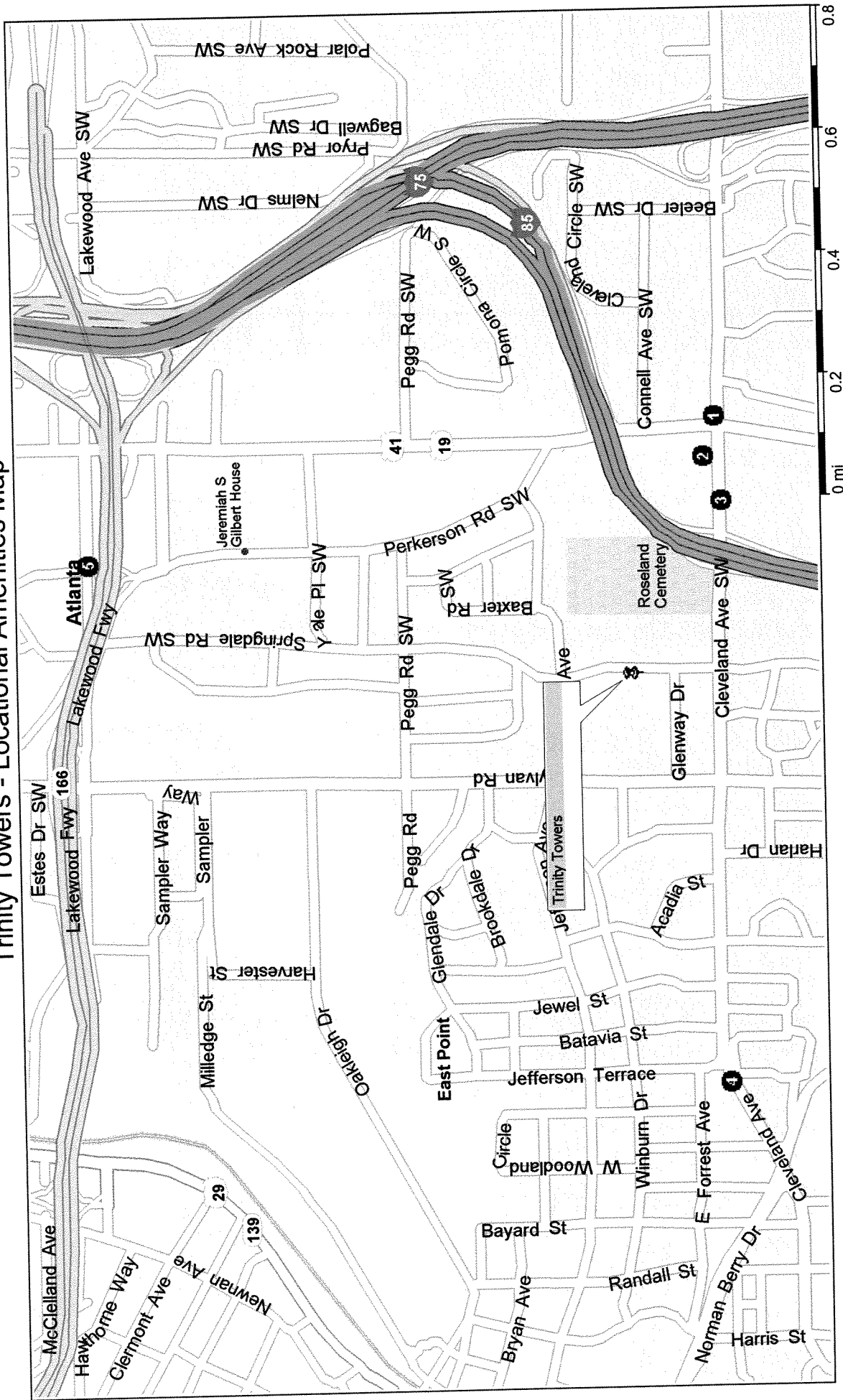


Trinity Towers - Map of PMA



☐




Trinity Towers - Locational Amenities Map



[illegible]


Produced by Novogradac & Company, LLP, July 2003.
Data Sources: U.S. Housing and Urban Development (HUD) Low Income Housing Tax Credit Database 1987-2000; HUD Qualified Census Tracts 2003; HUD Assisted Housing: A Picture of Subsidized Households 1998; Microsoft Streets and Trips 2001; Novogradac & Company, LLP July 2003.


Roads

	Highway
	Primary road
	Secondary road

Subject
LIHTC Properties
Section 8 Projects

LEGEND

 Buffer - 3 Miles

 Qualified Census Tract

Subject Photos



View of Subject Parking Area (Entrance on the Right)



View of Subject Parking Area (Entrance on the Left)

Subject Photos



South Bound Road Access to Subject Along Springdale Road

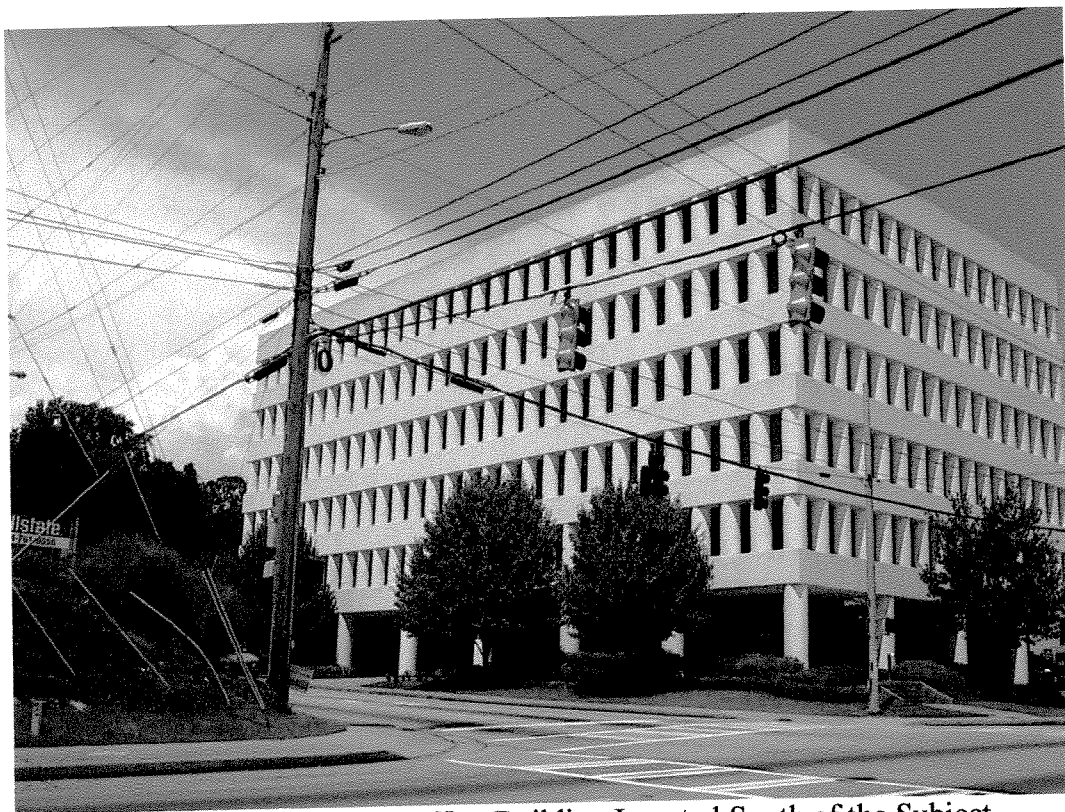


North Bound Road Access to Subject Along Springdale Road

Subject Photos



Street Scenes – Church Located Along Western Boundary of Subject



View of Summit South Office Building Located South of the Subject

Subject Photos



View of Grocery / Shopping Area
Located East of the Subject Along Cleveland Avenue